ONGC Videsh Ltd.
Regd. Office: 6th Floor, Kailash Building,
26 Kasturba Gandhi Marg, New Delhi-110001
Ph: 91-11-41291100, Fax: 91-11-23730369
Email: secretariat@ongcvidesh.in
Website: www.ongcvidesh.com
CIN: U74899DL1965GOI004343

ANNUAL REPORT 2015-16

Spreading Wings, globally

Azerbaijan
Bangladesh
Brazil
Colombia
Iran
Iraq
Kazakhstan
Libya
Mozambique
Myanmar
New Zealand
Russia
South Sudan
Sudan
Syria
Venezuela
Vietnam

ONGC Videsh Limited, the global arm of India's national oil company ONGC is empowered to acquire oil and gas assets across the globe to meet the increasing energy needs of India. Over the years, it has succeeded in competing with the best in the international arena. Working against all odds and within a timeframe, it is soaring like a bird spreading its wings globally, connecting the demand with the dynamic and innovative measures to access global energy resources. Today with 37 projects in 17 countries, ONGC Videsh stands prepared in its quest to achieve greater goals.

Vietnam

Signing of MoU between ONGC Videsh and Rosneft in presence of Hon'ble Prime Minister of India and the President of Russian Federation on 24th December 2015

Contents

Mr. N.K. Verma, MD ONGC Videsh with Mr. Igor Sechin, Chairman, Rosneft

MISSION

To be a world class E&P company providing energy security to the country.

VISION

By 2030, contribute 60 MMTPA of equity oil and gas.

Drillsite at Imperial Energy

Company Information

Mozambique

COMPANY INFORMATION

ONGC Videsh Limited

CIN: U74899DL1965GOI004343

Registered Office:

6th Floor, 'Kailash' 26, Kasturba Gandhi Marg
New Delhi 110001, India
Website: www.ongcvidesh.com
Phone: +91-11-41291309, 41291100
Fax: +91-11-23730369
Email: secretariat@ongcvidesh.in

Statutory Auditors:

Prem Gupta & Co.
Chartered Accountants
FRN No. 000425N

B. C. Jain & Co.
Chartered Accountants
FRN No. 001099C

Secretarial Auditors

M/s Meenu Gupta & Associates
Company Secretaries
CP No. 4552

Company Secretary

S. B. Singh

Bankers

State Bank of India

Under of the Project Locations

Block 06. 1, Vietnam
Block 1, 2 & 4, Sudan
Block 1, 2, & 4, South Sudan
Block 5a, South Sudan
Sakhalin-1 Project, Russia
MECL, Colombia
AFPC Project, Syria
Block BC-10, Brazil
Imperial Energy, Russia
San Cristobal Project, Venezuela
Azeri, Chirag, Guneshli Fields, Azerbaijan
Block A-1, Myanmar
Block A-3, Myanmar
Farzad B Project, Iran
Block XXIV, Syria
Rovuma Area 1, Mozambique
Carabobo-1 Project, Venezuela
Block 43, Libya
Block 8, Iraq
Block 128, Vietnam
Block RC-8, Colombia
Block RC-9, Colombia
Block RC-10, Colombia
Block SSJN-7, Colombia
Block CPO-5, Colombia
Block GUA-OFF-2, Colombia
Block LLA-69, Colombia
Satpayev Contract Area 3575, Kazakhstan
Block BM-SEAL-4, Brazil
Block SS 04, Bangladesh
Block SS 09, Bangladesh
Block B2, Myanmar
Block EP-3, Myanmar
Block PEP 57090, New Zealand
SHWE Offshore Pipeline Project, Myanmar
Onshore Gas Pipeline Project (SEAGPCL), Myanmar
BTC Pipeline, Azerbaijan
Vankor Field, Russia

FPSO ESPIRITO SANTO of BC10 Project- Brazil- Deep water operations at its best

A storage tank in the Central Processing Facility of MECL

Board of Directors

BOARD OF DIRECTORS

As on 2nd September, 2016

A K Srinivasan
Special Invitee
Director (Finance)
ONGC

A K Dwivedi
Special Invitee
Director (Exploration)
ONGC

T K Sengupta
Special Invitee
Director (Offshore)
ONGC

Sunjay Sudhir
Director

P K Rao
Director (Operations)

Narendra K Verma
Managing Director

D K Sarraf
Chairman

Sudhir Sharma
Director (Exploration)

Vivekanand
Director (Finance)

Shashi Shanker
Special Invitee
Director (T & FS) ONGC

D D Misra
Special Invitee
Director (HR) ONGC

V P Mahawar
Special Invitee
Director (Onshore) ONGC

Sharmila Chavaly
Director

CONSOLIDATED PERFORMANCE AT A GLANCE

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
PHYSICAL						
Crude oil (MMT)(Including condensate)	**5.510**	5.53	5.49	4.34	6.21	6.76
Gas (BCM)	**3.406**	3.34	2.87	2.92	2.54	2.69
FINANCIAL						
Income form Operations (Net)	**123,854**	188,817	218,225	175,578	223,473	184,111
Other Non-operating Income	**2,293**	2,179	3,055	2,650	1,990	2,111
Total Revenue	**126,148**	**190,996**	**221,280**	**178,228**	**225,463**	**186,223**
Statutory Levies	**14,836**	28,639	42,037	36,038	65,672	56,947
Operating Expenses	**38,300**	55,312	54,167	40,591	63,223	34,948
Exchange Loss/(Gain)	**(12,785)**	(7,479)	(3,120)	(2,960)	1,474	(815)
Profit Before Interest, Depreciation & Tax (PBIDT)	**85,797**	**114,524**	**128,195**	**104,559**	**95,094**	**95,143**
Depreciation, Depletion, Amortisation and Impairment	**56,165**	59,582	55,204	37,384	41,870	42,683
Profit Before Interest & Tax (PBIT)	**29,632**	**54,942**	**72,992**	**67,175**	**53,224**	**52,461**
Financial Costs				-		
Interest				-		
Payments	**12,486**	24,768	4,065	2,414	2,970	3,531
Receipts	**1,572**	493	962	2,065	911	488
Net	**10,913**	24,275	3,103	349	2,058	3,043
Profit before Tax and Exceptional Items	**18,718**	**30,666**	**69,888**	**66,826**	**51,166**	**49,418**
Exceptional item	**(30,472)**			-		
Profit before Tax	**(11,754)**	**30,666**	**69,888**	**66,826**	**51,166**	**49,418**
Corporate Tax	**9,298**	12,810	25,571	27,653	23,627	22,048
Profit after Tax	**(21,051)**	**17,856**	**44,317**	**39,172**	**27,538**	**27,369**
Profit relating to minority	**(116)**	(1,186)	(136)	(119)	327	464
Group Profit after Tax	**(20,935)**	**19,042**	**44,453**	**39,291**	**27,212**	**26,905**
				-		
Dividend	**-**	-	-	-	-	-
Tax on Dividend	**-**	-	-	-	-	-
Share Capital	**100,000**	100,000	100,000	50,000	10,000	10,000
Net Worth (Equity)	**399,816**	433,269	415,488	291,666	199,411	145,530
Long-term Borrowings	**374,609**	364,860	216,081	145,871	195,161	204,554
Working Capital	**(25,743)**	1,440	(144,599)	18,801	45,614	49,047
Capital Employed	**543,501**	568,587	369,200	323,859	293,562	294,194
Internal Resources Generation	**100,269**	100,269	129,416	68,848	89,307	57,578
Plan Expenditure	**64,702**	71,716	353,573	108,914	79,995	56,502
Expenditure on Employees	**5,265**	4,446	3,682	3,193	2,187	2,209
Number of employees	**339**	321	313	279	246	233
FINANCIAL PERFORMANCE RATIOS						
PBIDT to Turnover (%)	**69.27**	60.65	58.74	59.55	42.55	51.68
PBDT to Turnover (%)	**60.46**	47.80	57.32	59.35	41.63	50.02
Profit Margin (%)- incl. exceptional items	**(16.90)**	0.27	14.91	15.89	7.74	14.61
ROCE(PBIDT to Capital Employed) (%)	**15.79**	20.14	34.72	32.29	32.39	32.34
Net Profit to Equity (%)- incl. exceptional items	**(5.24)**	4.40	10.70	13.47	13.65	18.49
				-		
BALANCE SHEET RATIOS				-		
Current Ratio	**0.75**	1.02	0.40	1.17	1.63	1.92
Debt Equity Ratio	**0.94**	0.84	0.52	0.50	0.98	1.41
Debtors Turnover Ratio (Days)	**70**	57	64.70	103.92	48.37	79.39
				-		
PER SHARE DATA				-		
Earning Per Share (₹)	**(20.94)**	19.04	49.49	47.06	76.99	269.05
Dividend (%)	**-**	-	-	-	-	-
Book Value Per Share (₹)	**399.82**	433.27	415.49	583.33	1,994.11	1,455.30

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporate Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwards. Accordingly, the figures from FY 2010-11 are given as per the requirement of Revised Schedule VI and earlier years figures are as per Old Schedule VI.

(₹ in Millions, Unless otherwise stated)

	2009-10	2008-09	2007-08	2006-07	2005-06
PHYSICAL					
Crude oil (MMT)(Including condensate)	6.51	6.56	6.84	5.80	4.58
Gas (BCM)	2.36	2.22	1.96	2.15	1.76
FINANCIAL					
Income from Operations(Turnover)	153,828.01	184,235.48	168,657.26	117,946.98	80,779.76
Statutory Levies	49,387.34	68,857.48	60,374.22	51,445.98	39,069.76
Operating expenses	26,186	22,157	20,070	18,107	14,534
Profit before Interest Depreciation &Tax(PBIDT)	78,254	93,221	88,213	48,394	27,176
Depreciation, Depletion & Amortisation	36,513	30,620	36,650	21,335	11,204
Operating Income (PBIT)	41,741	62,601	51,563	27,059	15,972
Exchange loss /(Gain)	(2,651)	1,904	3,243	(2,527)	(1,005)
Interest Payment	4,370	7,289	7,373	318	40
Hedging Cost	(19)	(154)	217	-	-
Profit Before Tax	40,041	53,562	40,730	29,268	16,937
Corporate Tax	18,889	25,032	16,759	12,635	8,234
Net Profit	21,152	28,530	23,971	16,633	8,703
Less: Share of Profit/loss - Minority Interest	256	463	-	-	-309
GROUP PROFIT AFTER TAX (PAT)	**20,896**	**28,067**	**23,971**	**16,633**	**9,012**
Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Share Capital	10,000	10,000	10,000	10,000	3,000
Net Worth (Equity)	116,449	115,156	63,059	43,736	21,977
Borrowings	206,983	206,790	113,738	132,347	159,242
Working Capital	30,676	33,339	29,592	29,438	74,399
Capital Employed	269,047	264,819	153,556	159,451	140,105
Internal Resources Generation	49,726	67,996	36,733	41,774	21,158
Plan Expenditure	49,919	161,049	45,293	71,519	63,306
Expenditure on Employees	1,992	1,573	628	666	602
Number of employees	231	196	190	110	90
FINANCIAL PERFORMANCE RATIOS					
PBIDT to Turnover (%)	50.87	50.60	52.30	41.03	33.64
PBDT to Turnover (%)	49.77	45.69	45.88	42.90	34.84
Profit Margin (%)	13.58	15.23	14.21	14.10	11.16
ROCE (PBIDT to Capital employed) (%)	29.09	35.20	57.45	30.35	19.40
Net Profit to Equity (%)	17.94	24.37	38.01	38.03	41.01
BALANCE SHEET RATIOS					
Current ratio	1.68:1	1.69:1	2.23:1	2.56:1	7.27:1
Debt Equity Ratio	1.78:1	1.80:1	1.80:1	3.03:1	7.25:1
Debtors Turnover Ratio (Days)	69.72	48.94	32.94	34.67	17.82
PER SHARE DATA					
Earnings per share (₹)	208.96	280.67	239.71	224.44	300.40
Dividend(%)	-	-	-	-	-
Book Value per share(₹)	1,164.49	1,151.56	630.59	437.36	732.57

STATEMENT OF CONSOLIDATED INCOME & RETAINED EARNINGS

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
REVENUES						
Sales						
Crude Oil	95,074	164,932	202,690	162,366	211,687	174,081
Natural Gas	20,347	18,534	11,916	11,394	9,924	8,280
Condensate	758	1,445	1,988	2,955	3,189	2,233
Sub- Total	**116,179**	**184,911**	**216,593**	**176,715**	**224,800**	**184,594**
Traded Products	-	-	-	-		
Other Operating Revenue	9,250	5,589	3,649	1,197	1,240	434
Total Revenue from Operations (Gross)	**125,428**	**190,500**	**220,242**	**177,912**	**226,041**	**185,027**
Less: VAT	1,574	1,683	2,017	2,334	2,568	916
Total Revenue from Operations (Net)	**123,854**	**188,817**	**218,225**	**175,578**	**223,473**	**184,111**
Other Non-operating Income	2,293	2,179	3,055	2,650	1,990	2,111
Total Revenues	**126,148**	**190,996**	**221,280**	**178,228**	**225,463**	**186,223**
***COST & EXPENSES**						
Operating, Selling & General						
Statutory Levies						
(a) Royalties	13,043	25,372	35,212	29,115	57,571	55,156
(b) Other Taxes	1,793	3,267	6,825	6,923	8,101	1,791
Sub-Total (a to b)	**14,836**	**28,639**	**42,037**	**36,038**	**65,672**	**56,947**
Accretion / (Decretion) in stock	(264)	1,024	-1,468	149	(632)	(121)
Production, Transportation, Selling and Distribution Expenditure	40,966	43,538	45,092	35,828	35,866	32,213
Provisions and Write-offs	4,815	12,297	8,210	2,912	27,929	3,448
Adjustments for overlift/(underlift)	(494)	(553)	503	546	-414	-283
Adjustments relating to Prior Period (Net)	(7,117)	(1,213)	-421	(501)	(73)	(351)
Profit Before Depreciation, Interest &Tax	**73,405**	**107,265**	**127,327**	**103,256**	**97,115**	**94,370**
Depreciation, Depletion, Amortisation and Impairment	56,165	59,582	55,204	37,384	41,870	42,683
Total Cost & Expenses	**108,907**	**143,313**	**149,157**	**112,356**	**170,218**	**134,535**
Operating Income Before Interest &Tax	**17,240**	**47,683**	**72,123**	**65,872**	**55,245**	**51,688**
Financial Costs				-		
Exchange Loss / (Gain)	(12,785)	(7,479)	-3,120	(2,960)	1,474	(815)
Interest						
Payments	12,486	24,768	4,065	2,414	2,970	3,531
Receipts	1,572	493	962	2,065	911	488
Hedging Cost	394	220	2,251	1,657	547	42
Net	(1,478)	17,016	2,235	-953	4,079	2,270
Profit before Tax and Extraordinary Items	**18,718**	**30,666**	**69,888**	**66,826**	**51,166**	**49,418**
Exceptional item	(30,472)		-			
Profit before Tax	**(11,754)**	**30,666**	**69,888**	**66,826**	**51,166**	**49,418**
Corporate Tax (Net)	9,298	12,810	25,571	27,653	23,627	22,048
Profit after Tax	**(21,051)**	**17,856**	**44,317**	**39,172**	**27,538**	**27,369**
Profit relating to minority	(116)	(1,186)	-136	(119)	327	464
Group Profit after Tax	**(20,935)**	**19,042**	**44,453**	**39,291**	**27,212**	**26,905**
Profit & Loss Account Balance b/f				-	122,532	102,077
Adjustments due to change in share holding /other adjustment				-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-
Transfer to general Reserve	3,501	3,290	3,837	2,645	1,876	2,142
Transfer to Debenture Redemption Reserve	30,039	23,905	10,381	4,308	4,319	4,308
Retained Earnings For The Year	**(54,475)**	**(8,152)**	**30,235**	**32,339**	**143,549**	**122,532**

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporate Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwards. Accordingly, the figures from FY 2010-11 are given as per the requirement of Revised Schedule VI and earlier years figures are as per Old Schedule VI.

(₹ in Millions, Unless otherwise stated)

	2009-10	2008-09	2007-08	2006-07	2005-06
REVENUES					
Sales					
Crude oil	140,444	169,088	155,430	102,426	64,415
Gas	7,608	7,307	6,780	8,004	6,668
Condensate	1,706	2,109	2,081	1,841	1,466
Construction Contract Revenue	-	-	-	-	2,174
Transportation and other Services	2,048	2,938	3,122	3,269	3,199
Less: VAT	-816	-800	-685	-1,063	-927
Sub Total	**150,989**	**180,642**	**166,728**	**114,477**	**76,995**
Other Income					
Interest Income	104	1,570	1,442	2,273	3,127
Lease Income	317	377	352	435	271
Other Income	1,302	801	333	365	373
Increase/(Decrease) in Stock	1,116	845	-198	397	14
Total Income from Operations	**153,828**	**184,235**	**168,657**	**117,947**	**80,780**
COST & EXPENSES					
Operating, Selling & General					
(a) Production, Transportation & Other operating expenses	23,949	18,891	13,554	12,531	7,256
(b) Royalties	48,693	66,640	60,350	51,130	39,061
(c) Other Taxes	694	2,217	24	316	9
(d) Construction Contract Expenditure	-	-	-	-	2,699
(e) Provisions and write offs	2,819	3,163	5,595	1,409	394
(f) Adjustments for overlift/(underlift)					
(g) Prior Period adjustments (Net)	(582)	103	921	4,167	4,185
Sub Total (a to f)	**75,574**	**91,014**	**80,444**	**69,553**	**53,604**
Depletion, Depreciation & Amortisation					
(a) Depletion	16,941	13,735	11,777	12,590	4,615
(b) Depreciation	4,230	3,159	9,894	2,678	1,170
(c) Amortisation	15,100	12,999	13,654	5,275	4,272
(d) Others	244	727	1,325	792	1,147
Sub Total (a to d)	**36,513**	**30,620**	**36,650**	**21,335**	**11,204**
TOTAL COST AND EXPENSES	**112,087**	**121,634**	**117,094**	**90,888**	**64,808**
Operating Income before Financial Cost & Tax	**41,741**	**62,601**	**51,563**	**27,059**	**15,972**
Financial Costs					
Exchange Loss / (Gain)	(2,651)	1,904	3,243	(2,527)	(1,005)
Interest Payments	4,370	7,289	7,373	318	40
Hedging Cost	(19)	(154)	217	-	-
Sub Total	**1,700**	**9,039**	**10,833**	**(2,209)**	**(965)**
Profit Before Tax	**40,041**	**53,562**	**40,730**	**29,268**	**16,937**
Corporate Tax (Net)	18,889	25,032	16,759	12,635	8,234
Net Profit	21,152	28,530	23,971	16,633	8,703
Less: Share of Profit/Loss - Minority Interest	256	463	-	-	(309)
Group Profit after Tax	**20,896**	**28,067**	**23,971**	**16,633**	**9,012**
Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Retained earnings for the year	20,896	28,067	23,971	16,633	9,012
30,235.38					

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
RESOURCES						
A. Own						
1. Net Worth						
(a) Equity						
i) Share Capital	100,000	100,000	100,000	50,000	10,000	10,000
ii) Reserves & Surplus	299,816	333,269	315,488	241,666	189,411	135,530
Sub-Total	**399,816**	**433,269**	**415,488**	**291,666**	**199,411**	**145,530**
(b) Less Miscelaneous Expenditure			-	-		
Net Worth	399,816	433,269	415,488	291,666	199,411	145,530
B. Long-term Borrowings	374,609	364,860	216,081	145,871	195,161	204,554
C. Deferred Tax Liability (Net)	5,929	15,104	7,506	5,643	4,983	8,353
D. Minority Interest	8,206	7,820	8,864	909	1,003	682
TOTAL RESOURCES (A+B+C+D)	**788,559**	**821,053**	**647,939**	**444,088**	**400,558**	**359,119**
DISPOSITION OF RESOURCES						
A. Non-current assets						
1. Fixed Assets(Net)						
i) Tangible assets	24,812	129,249	69,993	58,636	35,590	42,304
ii) Producing Properties	358,844	242,939	254,849	180,988	144,236	136,140
iii) Intangible assets	343	127	94	104	126	37
Total Block Capital	**383,999**	**372,315**	**324,936**	**239,728**	**179,953**	**178,480**
2. Goodwill on consolidation	167,378	192,344	180,614	80,324	75,045	86,998
3. Long-term Loans and Advances(Excluding Capital Advance)	13,006	155	133	135	917	281
4. Deposit with Bank Under Site Restoration Fund Scheme	12,157	10,980	7,728	5,018	2,927	107
5. Other non-current Assets (Excluding DRE)	81,065	64,420	46,814	10,619	17,348	2,655
Subtotal (6)= (1+2+3+4+5)	**657,605**	**640,214**	**560,226**	**335,825**	**276,190**	**268,522**
7. Less Non-current Liabilities						
a. Other Long Term Liabilities	9,388	88	4	108	82	-
b. Libility for Abandonment Cost	77,399	71,060	46,251	30,238	27,609	22,861
c. Long Term Provisions	1,573	1,919	172	422	551	513
Sub total (7)	**88,361**	**73,067**	**46,427**	**30,768**	**28,242**	**23,374**
Net Non Current Asset (A)=(6)-(7)	**569,244**	**567,147**	**513,799**	**305,057**	**247,948**	**245,147**
B. Net Working Capital						
1. Current Assets						
ii) Inventories	10,952	8,905	8,716	5,876	5,733	4,699
iii) Trade Receivables	23,816	29,261	38,604	49,988	29,615	40,044
iv) Cash & Cash equivalents	13,505	23,829	22,353	44,586	51,528	36,998
v) Short-term Loans & Advances	5,850	4,876	4,307	5,575	8,227	4,485
vi) Others Current Assets (Excluding DRE)	24,402	26,469	23,278	25,945	22,497	16,261
Sub-Total	**78,524**	**93,340**	**97,258**	**131,969**	**117,600**	**102,486**
Less						
2. Current Liabilities						
i) Short-term borrowings	5,136	3,355	134,393	48,863	623	331
ii) Trade payables	76,399	66,208	37,881	25,865	25,782	19,728
iii) Other current liabilities	20,997	22,270	69,456	38,241	45,392	33,365
iv) Short-term provisions	1,735	68	127	199	189	16
Sub-Total	**104,267**	**91,900**	**241,857**	**113,168**	**71,986**	**53,440**
Net Working Capital	**(25,743)**	**1,440**	**-144,599**	**18,801**	**45,614**	**49,047**
D. Capital Employed	543,501	568,587	369,200	323,859	293,562	294,194
E. Investments						
i) Non-current Investments						
ii) Current Investments						
3. Capital Works in Progress (Including Capital Advance)	198,757	187,656	235,799	88,588	76,256	40,018
4. Exploratory/Development Wells in Progress	46,301	53,082	42,939	31,642	30,740	24,907
				-		
TOTAL DISPOSITION (A+B)	**788,559**	**809,325**	**647,939**	**444,088**	**400,558**	**359,119**

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporate Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwards. Accordingly, the figures from FY 2010-11 are given as per the requirement of Revised Schedule VI and earlier years figures are as per Old Schedule VI.

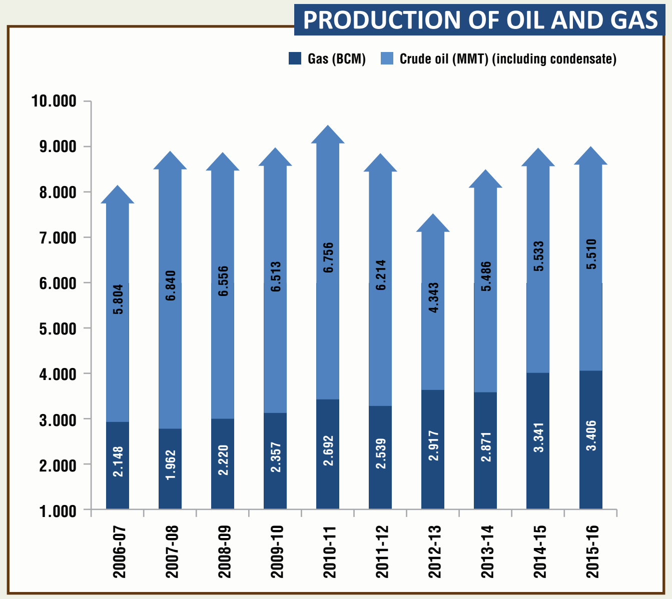
NET PROFIT/NET SALES (%)	(0.18)	0.10	0.21	0.22	0.12
NET SALES/CAPITAL EMPLOYED (RATIO)	0.21	0.33	0.59	0.55	0.77
LONG TERM DEBT/NET WORTH (RATIO)	0.94	0.84	0.52	0.50	0.98
SALARY & WAGES TO SALES TURNOVER	-	-	-	-	-
EARNING PER SHARE (IN ₹)	(20.94)	19.04	49.49	47.06	76.99
DEBT EQUITY RATIO	0.94	0.84	0.52	0.50	0.98
NET PROFIT/NET WORTH	(0.05)	0.04	0.11	0.13	0.14

(₹ in Millions, Unless otherwise stated)

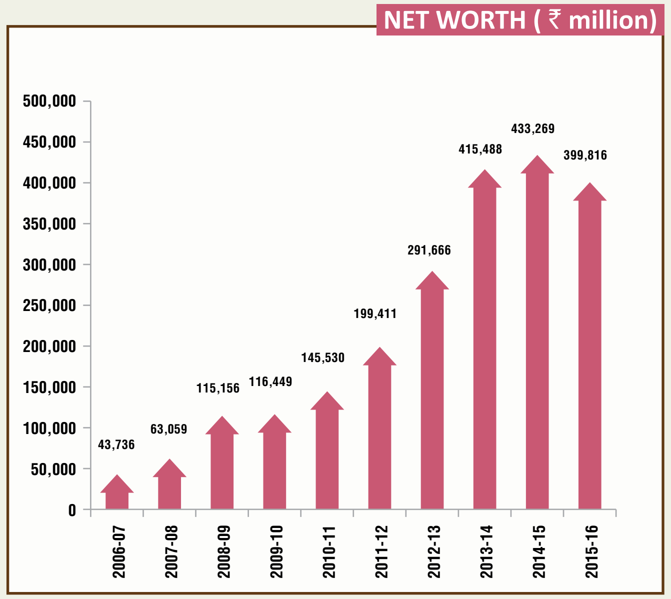
	2009-10	2008-09	2007-08	2006-07	2005-06
RESOURCES					
A. Own					
1. Net Worth					
(a) Equity					
i) Share Capital	10,000	10,000	10,000	10,000	3,000
ii) Reserves and Surplus	106,449	105,156	53,059	33,736	18,977
Sub Total	**116,449**	**115,156**	**63,059**	**43,736**	**21,977**
(b) Less: Intangible Assets	-	-	-	-	-
Net Worth	116,449	115,156	63,059	43,736	21,977
2. Minortity Interest	(220)	(45)	-	-	6,708
3. Long Term Liability- Deferred Tax Liability (Net)	6,884	8,369	8,211	9,759	6,635
Total Own Funds (1+2+3)	123,113	123,480	71,270	53,495	35,320
B. Outside					
Loans					
Oil Industry Development Board	-	-	-	-	61
Oil and Natural Gas Corporattion Ltd	162,723	153,065	112,649	130,941	157,618
Non Resource Deferred Credit	934	1,225	1,089	1,406	1,519
Bank Loans/Overdraft/Short Term Loans/Debentures/ Other Liabilities	9,026	-	-	-	44
Commercial Paper/ Non Convertible Redeemable Bonds	34,300	52,500	-	-	-
Total Outside Resources	**206,983**	**206,790**	**113,738**	**132,347**	**159,242**
TOTAL RESOURCES (A+B)	**330,096**	**330,270**	**185,008**	**185,842**	**194,562**
DISPOSITION RESOURCES					
A. Block Capital					
1. Fixed Assets	47,657	40,331	45,144	50,774	17,247
2. Producing Properties (Net of depletion)	108,843	91,401	60,840	56,056	36,806
Less: Liability for abandonment cost	10,584	11,361	4,867	4,503	2,519
Net Producing property	98,259	80,040	55,973	51,553	34,287
3. Goodwill	92,455	111,109	22,847	27,686	14,172
Total Block Capital (1+2+3)	**238,371**	**231,480**	**123,964**	**130,013**	**65,706**
B. Working Capital					
(a) Current Assets					
i) Inventories	6,201	5,941	3,200	3,649	2,163
ii) Debtors (Net of Provision)	29,384	24,701	15,222	11,203	3,944
iii) Cash and Bank Balances	16,598	15,997	21,564	12,125	2,563
iv) Loans and Advances and others	23,729	34,853	13,669	21,306	77,599
Sub Total	**75,912**	**81,492**	**53,655**	**48,283**	**86,269**
Less:					
(b) Current Liabties and Provisions	45,236	48,153	24,063	18,845	11,870
Working Capital (a - b)	**30,676**	**33,339**	**29,592**	**29,438**	**74,399**
C. Capital Employed (A+B)	**269,047**	**264,819**	**153,556**	**159,451**	**140,105**
D. Capital Works in Progress	36,421	33,780	12,503	14,149	43,746
E. Exploratory/Development Wells In Progress	24,628	31,671	18,949	12,242	10,711
TOTAL DISPOSITION (C TO E)	**330,096**	**330,270**	**185,008**	**185,842**	**194,562**

GRAPHS

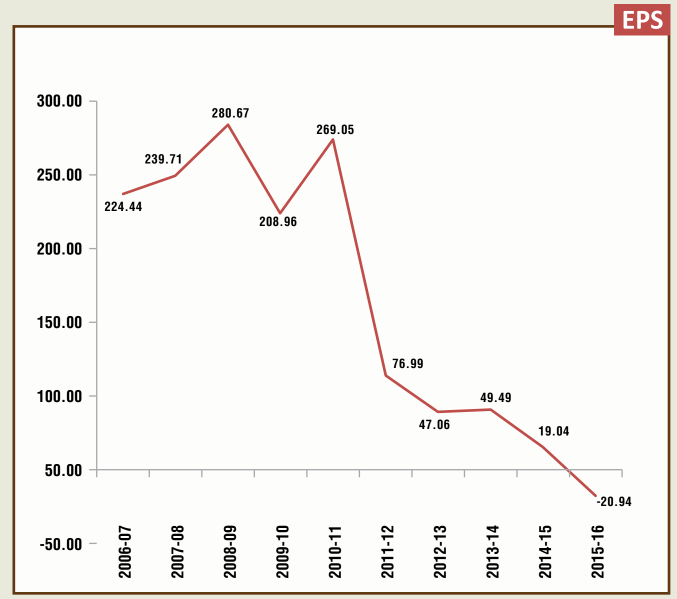
PRODUCTION OF OIL AND GAS



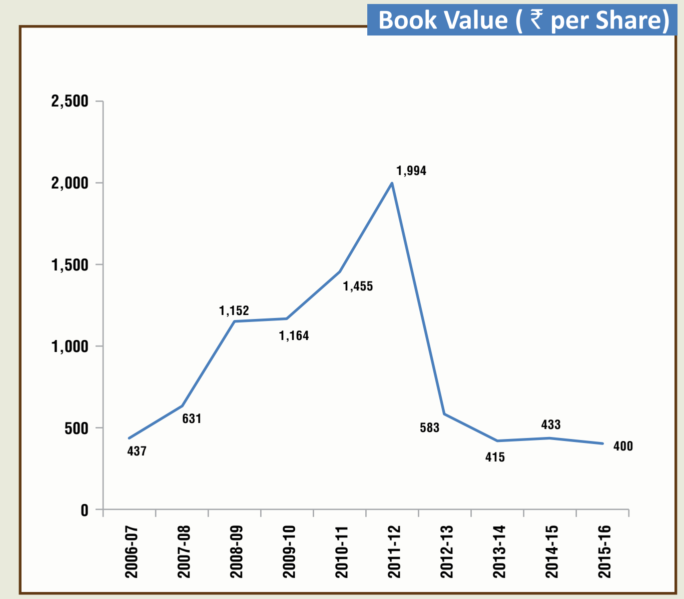
NET WORTH (₹ million)



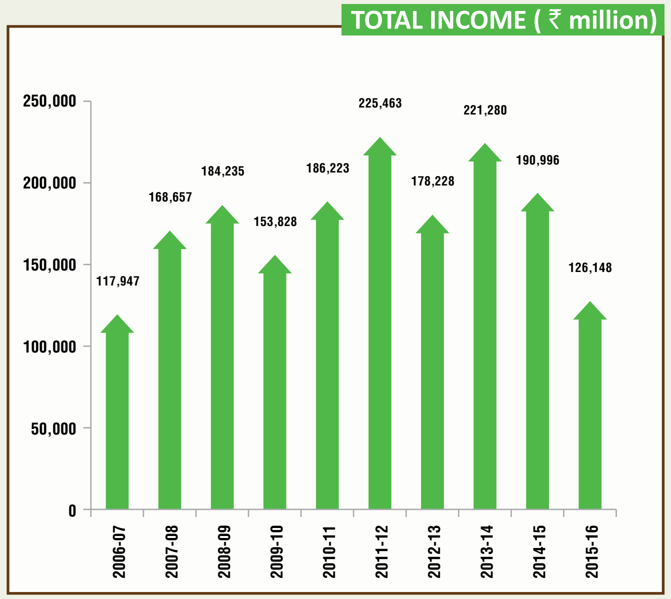
EPS



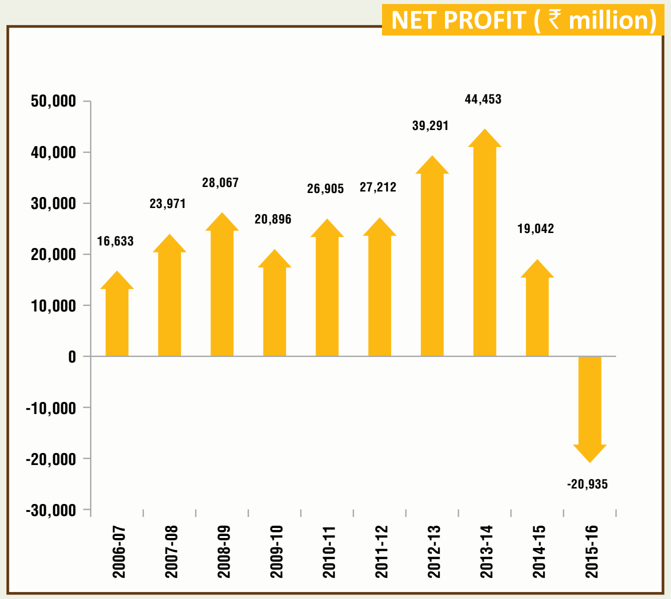
Book Value (₹ per Share)



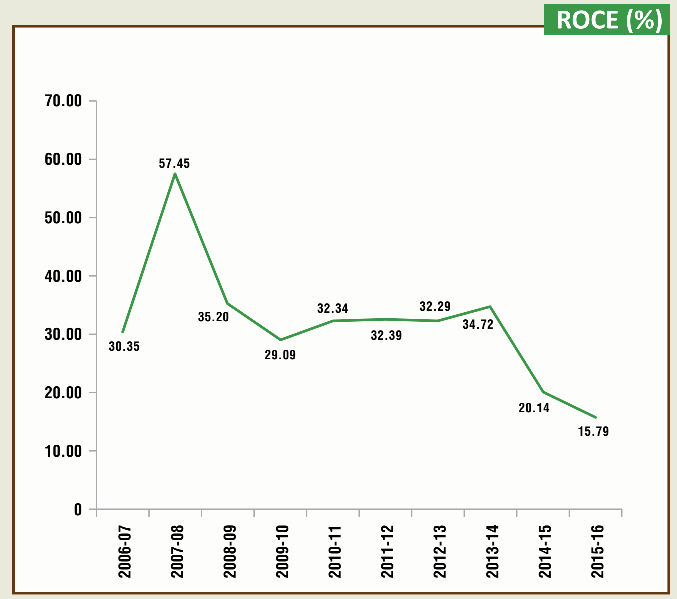
TOTAL INCOME (₹ million)



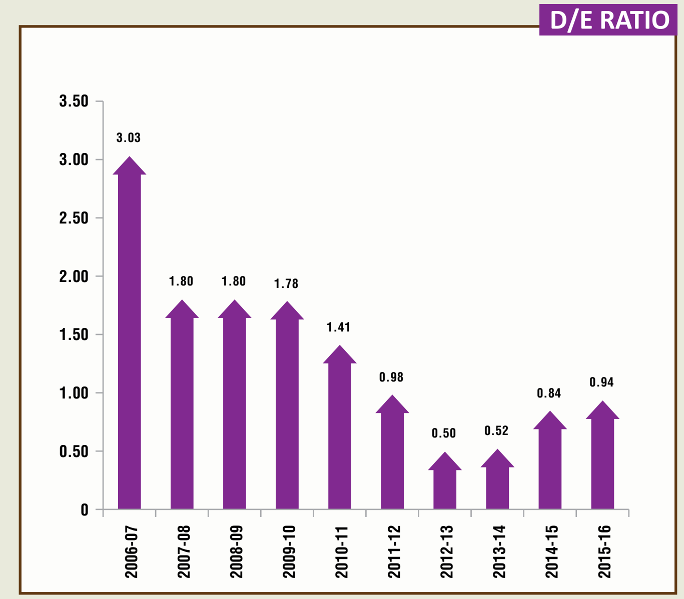
NET PROFIT (₹ million)



ROCE (%)



D/E RATIO



Iran

Estacion Velasquez 26, Puerto Buyaca, Colombia

Chairman's Message

Chairman's Message

Dear Shareholders,

It gives me immense pleasure to welcome you to the 51st Annual General Meeting of ONGC Videsh Ltd.

Your Company has incurred loss of ₹ 2,094 crore for FY'16 as compared to a net profit of ₹ 1,904 crore in FY'15. The decrease in profit is mainly on account of lower crude oil prices, higher financing cost and impairment provisions in three of its assets due to lower oil prices. However, excluding exceptional item pertaining to impairment provision of ₹ 3,047 crore, your Company earned a profit before exceptional items & tax of ₹ 1,872 crore in FY'16 as against ₹ 3,067 crore in the previous year.

Before I speak about the performance of the Company for the year 2015-16 and the business plans, I would like to outline the global industry environment during the year:

Global Economic Environment:

The Global E&P industry is going through one of its most transformative and critical phases. We are witnessing one of the longest downturns in oil price history, with the prices reaching a bottom of about USD 26/ bbl in January 2016, a level that has not been seen since September 2003, only to recover to fluctuate at around USD 45/ bbl at present. Considering that this price decline started in Mid-2014, this downturn has lingered longer than the crash of 1998 brought about by the Asian Financial crisis, the last oil price decline in recent history which persisted for more than a year.

Analytical evidence points towards a fundamental demand-supply mismatch behind the present extended downturn. Global economic growth has slowed, leading to a market that is oversupplied. U.S. Energy Information Administration estimates that in 2015 the increase in the global supply of petroleum and other liquid fuels was about 44% more than the increase in consumption. Global inventories are at historic highs; according to OPEC Oil Market Report of July 2016, OECD commercial oil stocks are around 329 million barrels (mb) above the five-year average, with crude and products indicating a surplus of 199 mb and 130 mb, respectively. Oil producing nations appear to be more concerned about retaining their market share in this low demand scenario, which is restricting their desire to co-operate on reducing supply. OPEC decided to maintain its level of oil production at a time when many believed the members of OPEC would cut production to offset rising production levels.

United States' domestic production has nearly doubled over the last few years, and United States took a historic policy decision in 2015 of lifting a 40-year ban on the export of U.S. crude oil. This increase has progressively pushed out oil that used to be imported earlier; this lesser imported oil needs to find another market, which is adding to ongoing war among oil producers to retain market shares. Saudi,

D.K. Sarraf
Chairman

Nigerian and Algerian oil that once was sold in the United States is suddenly competing for Asian markets, and the producers are forced to drop prices. Canadian, Russian and Iraqi oil production and exports are rising year after year. Concerns over enhanced supply from entry of Iran after waiving off sanctions and rising competition for retaining market share are fueling the uncertainties about the future price scenario.

Governments across the major oil producing countries are also struggling from the adverse impact on their fiscal performance. Oil revenues have shrunk and it is hard for governments mainly reliant on oil revenue to manage with a smaller slice of what's left. Companies continue to make efforts for seeking more lenient fiscal terms from host governments, but success has been slow and limited. Governments now face stiff competition when launching exploration licensing rounds. Many of the governments are deferring their license rounds considering the current bleak industry scenario.

Gas prices also suffered significantly during the period. Price at Henry Hub has dropped from about USD 4.9/ MMbtu in March 2014 to about USD 1.73/ MMbtu in March 2016 and USD 2.79/ MMbtu on 2nd August, 2016. Several LNG projects were envisaged in oil price scenario of USD 100/bbl. These projects are facing severe challenges, with some investors delaying their FIDs, while others are recalibrating their project plans in face of lower prices to preserve liquidity.

A forward looking outlook is that the worst is over and the things should move in positive direction. Already there are signs of decline in production from US shale plays and analysists at IHS suggest third quarter seasonal demand strength will push world liquids demand above supply for the first time since 2013. The industry is witnessing some of the largest cutbacks in investments and capital expenditure deferrals. According to Wood Mackenzie, the industry will cut spending by USD 1 trillion through 2020. It further projects that the market will see 5 million barrels of oil equivalent per day (mboe/d) less this year, compared to expectations before the collapse of oil prices. And next year, the industry will produce 6 mboe/d less than it otherwise would have had the spending cuts not been made. Continued output declines of "price-sensitive barrels" especially tight oil are critical to recovery of the market. It may however be stated that with numerous factors determining the medium to long term price outlook, the situation is still not clear to take a definitive call of future trajectory of oil prices.

Petroleum prices have a history of cycles and we have seen such steep declines after every decade from 1988. But this time the downtrend is a bit longer. Fragile global economy appears to be an underlying cause behind it. Global economy is yet to come out

of the shock of 2008 and stability in petroleum prices depends on stability in global economic sphere. We have seen in the past that low petroleum prices have always fueled the growth during economic downturns which in turn lead to revival of prices again.

Vast areas of the world are still hungry for growth and sooner or later economies have to be stream lined and growth has to revive. The Company looks at this downturn as an opportunity to grow its footprint and to firm up its commitment towards goals set for future.

New Acquisitions:

Your Company had acquired 15% shares in JSC Vankorneft, a company organized under the law of Russian Federation, which is the owner of Vankor and North Vankor license, on 31st May 2016 and has signed MoU with Rosneft to acquire additional 11% shares in the same field, subject to finalization of terms & conditions.

Performance:

Significant performance highlights since last Annual General Meeting are as under:

- Your Company's share in production of oil and oil equivalent gas (O+OEG), together with its wholly-owned subsidiaries, ONGC Nile Ganga B.V., ONGC Amazon Alaknanda Limited, Imperial Energy Limited and Carabobo One AB, was 8.916 MMtoe during FY'16 as compared to 8.874 MMtoe during FY'15. The oil production decreased from 5.533 MMT during FY'15 to 5.510 MMT during FY'16.
- Your Company's consolidated net worth has decreased to ₹ 399,816 million as on 31st March, 2016 as compared to ₹ 433,269 million as on 31st March, 2015, mainly due to losses in the current year.
- Your Company's share of proved reserves as on 1st April 2016 stood at 201.702 MMtoe (O+OEG) as compared to 202.641 MMtoe as against previous year.
- Your Company has taken term loan of USD 1,775 million for 5 years for Mozambique acquisition. The same has been refinanced for a term of another 5 years with effect from 27th November 2015 resulting in saving of about USD 8 million per annum and extending the maturity of loan by 21 months.
- ONGC Videsh Vankorneft Pte. Ltd. (OVVL), a wholly owned subsidiary of your Company successfully issued USD 1 billion Notes comprising of USD 400 million Senior Unsecured Notes due 2022 (Coupon rate: 2.875 %; YTM 2.875%) and USD 600 million Senior Unsecured Notes due 2026 (Coupon rate 3.75%; YTM 3.773%) in the international Capital markets

Above bring out significant highlights of Company's performance and I am sure you share my sense of satisfaction of yet another successful year.

Corporate Governance:

Your Company believes that good corporate governance goes beyond compliance of the provisions of various laws and therefore strives to inculcate the practice of transparency in conduct of its business practices. Your Company has complied with the DPE

Guidelines on Corporate Governance, 2010 except composition of the Board of Directors and statutory Board Committee(s). This could not be complied as appointment of Independent Director(s) is under consideration by the Government of India. Your Company has four sanctioned position of Independent Directors and the tenure of last three Independent Director(s) got completed on 4th June, 2015. Your Company has been requesting the Government of India for appointment of Independent Directors.

International Alliances:

Your Company has entered into MoUs with ROSNEFT and Ministry of Mines, Industry of Energy, Equatorial Guinea, SOCAR Trading Company and shall continue to engage in more and more such alliances.

Your Company has registered presence in various hydrocarbon provinces of the world and continues to look for potential assets. It has earned a high reputation for itself and therefore multiple opportunities keep coming for its consideration.

Acknowledgements:

On behalf of the Board of Directors, I would like to acknowledge with deep appreciation the valuable guidance and support extended by the Government of India, especially the Ministry of Petroleum & Natural Gas, Ministry of Finance, Ministry of External Affairs, Indian Embassies/ High Commissions abroad and the Reserve Bank of India etc. Your Company also wishes to place on record its deep sense of appreciation for the credible services by the employees of your Company. Your Company recognizes that the achievements of your Company have been possible with support from the parent company, Oil and Natural Gas Corporation Limited.

We reaffirm our commitment to excellence in the coming year with the determination to sustain our success and momentum.

With Best Compliments,

Sd/-
(D.K. Sarraf)
Chairman

Syria

Overview of Hydrofracturing operations at Imperial Energy

Notice of AGM

Notice of AGM

No. ONGC Videsh/CS/AGM/2016/1 **2nd September, 2016**

1	Mr. D. K. Sarraf, Chairman & Member, ONGC Videsh	10	Mr. T. K. Sengupta, Member
2	Mr. Narendra K. Verma, MD & Member	11	Mr. D. D. Misra, Member
3	Mr. P. K. Rao, Director (Operation)	12	Mr. A. K. Dwivedi, Member
4	Mr. Sudhir Sharma, Director (Exploration)	13	Mr. V. P. Mahawar, Special Invitee
5	Mr. Vivekanand, Director (Finance)	14	Mr. A. K. Srinivasan, Special Invitee
6	Mr. Sunjay Sudhir, Director & Chairman,	15	Mr. V. N. Murthy, CS, ONGC
	Audit Committee and HRM & Remuneration Committee	16	Prem Gupta & Co., Statutory Auditors
7	Ms. Sharmila Chavaly, Director	17	B.C. Jain & Co., Statutory Auditors
8	Mr. S. P. Garg, Member	18	Meenu Gupta & Associates, Secretarial Auditors
9	Mr. Shashi Shanker, Member	19	IDBI Trusteeship Services Limited Debenture Trustee

Subject: 51st Annual General Meeting of ONGC Videsh Limited

Madam/ Sir,

The 51st Annual General Meeting of ONGC Videsh Limited has been scheduled to be held on Monday, the 5th day of September, 2016 at 14:30 hours in the Board Room at 4th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi–110001. The Notice of meeting is enclosed for your kind consideration.

You are requested to kindly make it convenient to attend the Annual General Meeting.

Thanking you,
Yours faithfully,

for ONGC Videsh Limited

Sd/-
(S. B. Singh)
Company Secretary
Encls: As above

NOTICE

NOTICE is hereby given that the **51st Annual General Meeting** of the members of **ONGC Videsh Limited** will be held on **Monday, the 5th day of September, 2016 at 14:30 hours** in the **Board Room, 4th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi- 110001** to transact the following business:

ORDINARY BUSINESS

To consider and, if thought fit, to pass, the following resolutions as **Ordinary Resolutions:**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2016, together with the Reports of the Board of Directors and Statutory Auditors thereon and comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
2. To appoint a Director in place of Mr. P. K. Rao (DIN: 06988738), who retires by rotation at the meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dinesh Kumar Sarraf (DIN: 00147870), who retires by rotation at the meeting and being eligible, offers himself for re-appointment.
4. To authorize Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2016-17 in terms of provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to decide and fix the remuneration of Joint Statutory Auditors of the Company for the Financial Year 2016-17, as may be deemed fit by the Board."

SPECIAL BUSINESS

ITEM NO. 5

To consider, and if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT Mr. Sunjay Sudhir (DIN: 07396936) who was appointed as an Additional Director (Government Nominee) under Section 161 of Companies Act 2013 with effect from 7th January 2016 and holds office upto the 51st Annual General Meeting and in respect of whom the Company has received a notice in writing from ONGC, under Section 160(1) of the Companies Act 2013, proposing his candidature for directorship, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM NO. 6

To consider, and if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT Mr. Vivekanand (DIN: 07566552) who was appointed as an Additional Director under Section 161 of Companies Act 2013 and designated as Director (Finance) with effect from 1st September 2016 and holds office upto the 51st Annual General Meeting and in respect of whom the Company has received a notice in writing from Mr. Vivekanand, under Section 160(1) of the Companies Act 2013, proposing himself for directorship, be and is hereby appointed as a Director of the Company, liable to retire by rotation, on terms and conditions as may be decided by the Ministry of Petroleum & Natural Gas, Government of India."

Regd. Office:
6th Floor, "Kailash"
26, Kasturba Gandhi Marg,
New Delhi-110001
CIN: U74899DL1965GOI004343

Date: 2nd September, 2016
Place: New Delhi

By Order of the Board of Directors
ONGC Videsh Limited

Sd/-
(S. B. Singh)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. THE PROXY FORM, DULY COMPLETED, IS REQUIRED TO BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.

2. RELEVANT EXPLANATORY STATEMENT AS REQUIRED UNDER THE PROVISIONS OF THE SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING IS ANNEXED HEREWITH AND FORMS PART OF THE NOTICE.

3. THE COMPANY HAS DESIGNATED AN EXCLUSIVE E-MAIL ID AT SECRETARIAT@ONGCVIDESH.IN FOR REDRESSAL OF INVESTORS' COMPLAINTS/ GRIEVANCES, IN CASE YOU HAVE ANY QUERIES/ COMPLAINTS OR GRIEVANCES, PLEASE WRITE TO US AT THE ABOVE EMAIL ADDRESS.

4. COMPLETE PARTICULARS OF THE VENUE OF THE ANNUAL GENERAL MEETING INCLUDING ROUTE MAP IS PROVIDED IN THE ANNUAL REPORT.

5. RELEVANT DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE AND THE STATEMENTS ARE OPEN FOR INSPECTION BY THE MEMBERS AT THE REGISTERED OFFICE OF THE COMPANY ON ALL WORKING DAYS, DURING BUSINESS HOURS UPTO THE DATE OF THE MEETING.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statements sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 5: APPOINTMENT OF MR. SUNJAY SUDHIR:

Mr. Sunjay Sudhir was appointed as an Additional Director and designated as nominee of MoP&NG on the Board of ONGC Videsh with effect from 7th January, 2016. In terms of Section 161 of the Companies Act, he has been appointed on the Board of ONGC Videsh and holds office upto the date of 51st Annual General Meeting of the Company and is liable to retire by rotation.

The Company has received a notice in writing from ONGC regarding appointment of Mr. Sunjay Sudhir along with the deposit of requisite amount of ₹100,000 under Section 160(1) of the Companies Act 2013.

BRIEF RESUME

Mr. Sunjay Sudhir was born on 09th September 1965 and holds degree of Bachelor of Technology from the Indian Institute of Technology, New Delhi (1984-88). He pursued a course in Diplomatic Practice from Oxford University (2001-02) and Certificate Courses, conducted by WTO, in – TRIPS Agreement and Public Health; WTO Law and Jurisprudence; and WTO Dispute Settlement (during 2007-2010).

Mr. Sunjay Sudhir is Joint Secretary (International Cooperation) in the Ministry of Petroleum and Natural Gas. He joined the Indian Foreign Service in 1993. Before this he was Consul General of India in Sydney. He has also served as Joint Secretary and Head of the Office of External Affairs Minister (2013-14), Counsellor at the Permanent Mission of India to the World Trade Organization, Geneva (2007-11), Head of the Economic and Commercial Wing at the Indian Embassy, Colombo (2004-07), Second Secretary (Political, Information and Culture) at the Indian Embassy, Cairo (1995-97).

During his stints in the Ministry of External Affairs in Delhi, he served as Deputy Chief of Protocol (Ceremonial) handling incoming and outgoing VVIP visits during 2002-04. He has also worked in the Europe West Division (2000).

Mr. Sunjay Sudhir holds directorship in Oil India ltd.

He does not hold any shares of the Company.

He also does not hold, together with his relatives two percent or more of the total voting power of the Company.

Except Mr. Sunjay Sudhir, none of the Directors, Key Managerial Personnel(s) of the Company and/ or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board of Directors considers that in view of the background and experience of Mr. Sunjay Sudhir, it would be in the interest of the Company to appoint him as Director of the Company.

The Board recommends the item for your approval.

ITEM NO. 6: APPOINTMENT OF MR. VIVEKANAND:

Mr. Vivekanand was appointed as an Additional Director and designated as Additional Director on the Board of ONGC Videsh with effect from 1st September, 2016. In terms of Section 161 of the Companies Act, he has been appointed on the Board of ONGC Videsh and holds office upto the date of 51st Annual General Meeting of the Company and is liable to retire by rotation.

The Company has received a notice in writing from Mr. Vivekanand, proposing himself for directorship along with the deposit of requisite amount of ₹100,000 under Section 160(1) of the Companies Act 2013.

BRIEF RESUME

Mr. Vivekanand was born on 2nd October, 1961 and holds post-graduate degree in Commerce from Delhi University, Master of Business Administration in Finance, Cost & Management Accountant and Post Graduate Diploma in Treasury & Forex Management.

Mr. Vivekanand has experience of over 32 years as Finance and Accounting professional in upstream oil and gas industry. He joined ONGC in 1984 as a Graduate Trainee and worked across different spheres of finance and accounting activities. He has handled key finance assignments related to Treasury, Taxation, Risk Management, Business Development, Overseas projects and various other corporate functions such as Budgeting, Accounting, Internal Audit, Marketing etc. Mr. Vivekanand has also worked to strengthen the business processes and systems of the Company through a systematic approach. He has played key roles in financing campaigns of ONGC Videsh raising financing of nearly USD 6 billion in last 3 years.

Mr. Vivekanand does not hold directorship in any other company.

He does not hold any shares of the Company.

He also does not hold, together with his relatives two percent or more of the total voting power of the Company.

Except Mr. Vivekanand, none of the Directors, Key Managerial Personnel(s) of the Company and/ or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board of Directors considers that in view of the background and experience of Mr. Vivekanand, it would be in the interest of the Company to appoint him as Director of the Company.

The Board recommends the item for your approval.

Regd. Office:
6th Floor, "Kailash"
26, Kasturba Gandhi Marg,
New Delhi-110001
CIN: U74899DL1965GOI004343

Date: 2nd September, 2016
Place: New Delhi

By Order of the Board of Directors
ONGC Videsh Limited

Sd/-
(S. B. Singh)
Company Secretary

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Management and Administration) Rules, 2014]

CIN: **U74899DL1965GOI004343**

Name of the Company: **ONGC VIDESH LIMITED**

Registered office: **6th Floor, "KAILASH" 26, KASTURBA GANDHI MARG, NEW DELHI – 110001 INDIA**

Name of the member (s):
Registered address:
E-mail Id:

Folio No/ Client Id:

I/We, being the member (s) of .... shares of the above named company, hereby appoint*/

1. Name: ....
   Address: ....
   E-mail Id: ....
   Signature: ...., or failing him

2. Name: ....
   Address: ....
   E-mail Id: ....
   Signature: ...., or failing him

3. Name: ....
   Address: ....
   E-mail Id: ....
   Signature: ...., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual general meeting of the Company, to be held on **Monday, the 5th day of September, 2016 at 14:30 hours, in the Board Room, 4th Floor, Kailash Building, 26, K. G. Marg, New Delhi – 110 001** and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No	Resolutions	For	Against
ORDINARY BUSINESS			
1.	To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended 31st March, 2016, together with the Reports of the Board of Directors and Statutory Auditors thereon and comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013		
2.	To appoint a Director in place of Mr. P. K. Rao (DIN: 06988738), who retires by rotation at the meeting and being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Mr. Dinesh Kumar Sarraf (DIN: 00147870), who retires by rotation at the meeting and being eligible, offers himself for re-appointment.		
4.	To authorize Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2016-17 in terms of provisions of Section 139(5) read with Section 142 of the Companies Act, 2013		
SPECIAL BUSINESS			
1.	To appoint Mr. Sunjay Sudhir (DIN: 07396936) as Director of the Company		
2.	To appoint Mr. Vivekanand (DIN: 07566552) as Director of the Company		

Signed this 2nd day of September 2016.

Signature of shareholder

Signature of Proxy holder(s): ____________________ ____________________ ____________________

Affix Revenue Stamp of ₹ 1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ONGC VIDESH LIMITED

CIN: **U74899DL1965GOI004343**

Registered Office: 6th Floor, "Kailash", 26 Kasturba Gandhi Marg, New Delhi - 110001

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING ROOM:

Name and address of the shareholder:

Folio no.:

No. of Shares:

I hereby record my presence at the 51st Annual general Meeting of the Company held on Monday, the 5th day of September, 2016 at 14:30 hours in the Board Room at 4th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi–110001.

____

Signature of the Shareholder/ Proxy

Myanmar

Well site at Morical, Venezuela

Board's Report

Board's Report

DEAR MEMBERS,

It gives me immense pleasure in presenting before you, on behalf of the Board of Directors of your Company, the 51st Annual Report on the business and operations of ONGC Videsh Ltd. (ONGC Videsh) for the financial year ended 31st March, 2016, together with the Annual Financial statements, the Auditors' Report thereon and the comments on the Accounts by the Comptroller and Auditor General of India (C&AG).

1. PERFORMANCE HIGHLIGHTS

ONGC Videsh has produced about 166 thousand barrels of oil and oil equivalent gas per day during FY'16 and has total oil and gas (2P) reserves of about 596.132 MMtoe as on 31st March 2016. During FY'16, there has been a marginal increase in oil and gas production by 0.47% (Oil 0.42% less and Gas 1.95% gain) as compared to previous fiscal year FY'15.

ONGC Videsh's share in production of oil and oil equivalent gas (O+OEG), together with its wholly-owned subsidiaries, ONGC Nile Ganga B.V., ONGC Amazon Alaknanda Limited, Imperial Energy Limited and Carabobo One AB, was 8.916 MMtoe during FY'16 as compared to 8.874 MMtoe during FY'15. The overall gas production slightly increased from 3.341 BCM during FY'15 to 3.406 BCM during FY'16 (1.95% higher) and oil production was 5.510 MMt during FY'16 as compared to oil production of 5.533 MMt during FY'15.

During FY'16, the Company has incurred loss of ₹2,094 crore as compared to a net profit of ₹1,904 crore in the previous year. The decrease in profit is mainly on account of lower crude oil prices and impairment provisions in three of its assets due to lower oil prices. However, excluding exceptional item pertaining to impairment provision of ₹3,047 crore, your Company earned a profit before exceptional items & tax of ₹1,872 crore in FY'16 as against ₹3,067 crore in the previous year.

ONGC Videsh had taken term loan of USD 1,775 million for 5 years for Mozambique acquisition. The same has been refinanced for a term of another 5 years with effect from 27th November 2015 resulting in saving of about USD 8 million per annum and extending the maturity of loan by 21 months.

2. FINANCIAL RESULTS

a) Consolidated Financial Statements:

Highlights:

(₹ in million)

Particulars	2015-16	2014-15
Total Income	127,720	191,489
Expenditure	139,474	160,823
Profit/ (Loss) before tax	(11,754)	30,666
Provision for Tax (including deferred and earlier period tax)	9,298	12,810
Share of Profit (minority Interest)	(116)	(1,186)
Profit/ (Loss) After Tax	**(20,936)**	**19,042**
Paid up Equity Share Capital	100,000	100,000
Net Worth	399,816	433,269
Earnings per share of ₹ 100 each (figure in ₹)	(20.94)	19.04

b) Standalone Accounts:

Highlights:

(₹ in million)

Particulars	2015-16	2014-15
Total Income	77,042	95,977
Expenditure	93,895	62,002
Profit/ (Loss) before tax	(16,853)	33,975
Provision for Tax (including deferred and earlier period tax)	3,742	12,560
Profit/ (Loss) After Tax	**(20,595)**	**21,415**
Transfer to General Reserve	-	2,142
Transfer to Debenture Redemption Reserve	30,039	23,905
Paid up Equity Share capital	100,000	100,000
Net Worth	240,382	265,892
Earnings per share of ₹ 100 each (figure in ₹)	(20.59)	21.42

India Risk Management award in Public Sector Unit of the year category

c) Dividend:

No dividend has been proposed for the FY'16.

d) Market Borrowings:

(i) Details of debentures issued in the domestic market:

Description	Amount (₹) in millions	Drawdown date	Maturity date	Term (Year)	Purpose
8.54% Unsecured non-convertible redeemable Debenture Series II	3,700	6 January 2010	6 January 2020	10	To Partly refinance the Commercial Papers issued to fund the acquisition of Imperial Energy Corporation Plc., United Kingdom.

(ii) Borrowings of your Company from overseas markets:

Description	Amount (₹) in millions	Drawdown date	Maturity date	Term (Year)	Purpose
2.50% USD 300 million Bonds	300	7 May 2013	7 May 2018	5	To refinance bridge loan taken in FY'13 for acquisition of Participating Interest in ACG, Project in Azerbaijan.
3.75% USD 500 million Bonds	500	7 May 2013	7 May 2023	10	To refinance bridge loan taken in FY'13 for acquisition of Participating Interest in ACG, Project in Azerbaijan.
USD 1,775 million syndicated bank loan facility	1775	27 November 2015	27 November 2020	5	Term loan to part finance acquisition of 10% Participating Interest in Rovuma Area-1 Project, Mozambique.
3.25% USD 750 million Bonds	750	15 July 2014	15 July 2019	5	To refinance bridge loan taken in FY'14 for acquisition of 6% Participating Interest in Rovuma Area-1 Project, Mozambique.
4.625% USD 750 million Bonds	750	15 July 2014	15 July 2024	10	To refinance bridge loan taken in FY'14 for acquisition of 6% Participating Interest in Rovuma Area-1 Project, Mozambique.
2.75% EUR 525 million unsecured Euro Bonds	525	15 July 2014	15 July 2021	7	To refinance part of bridge loan taken in FY'14 to part finance acquisition of 10% Participating Interest in Rovuma Area-1 Project, Mozambique.

3. RESERVES

	Description	As on 31st March 2016	As on 31st March 2015
a.	**1P Reserves(Proved)**		
	Oil (Including Condensate) (In MMT)	**109.446**	**110.720**
	Gas (In BCM)	**92.256**	**91.921**
	Total 1P Reserves (In MMTOE)	**201.702**	**202.641**
b.	**2P Reserves (Proved + Probable)**		
	Oil (Including Condensate) (In MMT)	**244.578**	**258.284**
	Gas (In BCM)	**351.554**	**353.783**
	Total 2P Reserves (In MMTOE)	**596.132**	**612.067**
c.	**3P Reserves (Proved + Probable+ Possible)**		
	Oil (Including Condensate) (In MMT)	**262.281**	**275.334**
	Gas (In BCM)	**370.371**	**372.151**
	Total 3P Reserves (In MMTOE)	**632.652**	**647.485**

4. NEW ACQUISITIONS

4.1 Vankor Field, Russia

Your company has acquired 15% shares in JSC Vankorneft, a company organized under the law of Russian Federation, which is the owner of Vankor and North Vankor license, on 31st May 2016. Rosneft, the national oil company of Russia continues to hold the remaining 85% shares of JSC Vankorneft.

Vankor is Rosneft's (and Russia's) second largest field by production and accounts for about 4% of Russian crude oil production. The daily peak production from the field is around 442,000 barrels of oil per day (bopd). With 15% shareholding, your Company's share of daily oil production would be about 66,000 bopd at peak production. The present transaction strengthens the presence of your Company in Russia and is consistent with its stated strategic objective of adding high quality international assets to its existing E&P portfolio.

Further, your Company signed a Memorandum of Understanding (MoU) with Rosneft on 16th March, 2016 for the potential acquisition of 11% shares in the Vankorneft in addition to the 15% shares.

5. PRODUCING ASSETS

5.1 Block 06.1, Vietnam

Block 06.1 is an offshore Block located 370 km southeast of Vung Tau on the southern Vietnamese coast with an area of 955 SKM. The exploration License for Block 06.1 was acquired by your Company in 1988. The present Partners are - ONGC Videsh 45%, TNK Vietnam 35% (Operator) and Petro Vietnam 20%. Lan Tay field in the Block has been developed and the field started commercial production in January, 2003. Development of Lan Do field in the Block was completed during FY'13 with commencement of first gas production from 2 wells on 7th October 2012. Your Company's share of production from the block was 1.659 BCM of gas and 0.0287 MMT of condensate during FY'16 as compared to 1.774 BCM of gas and 0.030 MMT of condensate during FY'15.

Besides, exploration activity are also being undertaken in the block, the exploration PLDD-1X well was successfully drilled during the year with gas discovery.

Your Company's share of cumulative investment in the block was ₹20,113.70 million (USD 429.16 million) till 31st March, 2016.

5.2 Sakhalin-I, Russia

Sakhalin-1 is a large oil and gas field in Far East offshore in Russia, spread over an area of approx. 1,146 sq km. ONGC Videsh acquired stake in the field in July, 2001. Your Company holds 20% PI in the field with Exxon holding 30% PI as Operator; SODECO, a consortium of Japanese companies' holds 30% and remaining 20% PI is held by Rosneft, the Russian National Oil Company. The project includes three offshore fields - Chayvo, Odoptu and Arkutun Dagi. The first phase of Sakhalin-1 Chayvo field was developed and production started in October, 2005. Odoptu first stage production started in September, 2010. First oil from third field, Arkutun Dagi started on 4th January, 2015. Your Company's share of production from the project was 1.742 MMT of oil and 0.588 BCM of gas during FY'16 as compared to 1.536 MMT of oil and 0.618 BCM of gas during FY'15. Your Company's share of investment in the project was ₹317,645.9 million (USD 6,455.54 million) till 31st March, 2016.

5.3 Greater Nile Oil Project (GNOP), Sudan

Your Company holds 25% PI in the GNOP, Sudan through its wholly owned subsidiary ONGC Nile Ganga BV (ONGBV) acquired on 12th March, 2003. Other partners in this project are CNPC (40% PI), Petronas (30% PI) and Sudapet (5% PI). GNOP consisted of the upstream assets of on-land Blocks 1, 2 & 4 spread over 49,500 sq km in the Muglad Basin, located about 780 km South-West of the capital city of Khartoum in Sudan.

The crude oil produced from oil field of GNOP, is transported through a 1504-Km, 28" pipeline, a downstream facility known as Sudan Crude oil Transportation System (SCOTS) to Port Sudan at Red Sea.

Bilateral meeting between Hon'ble Minister of State (I/C), Petroleum & Natural Gas, Government of India and Minister of Oil, Islamic Republic of Iran on 9th April, 2016

GNOP in Sudan is jointly operated by all partners through a Joint Operating Company 'Greater Nile Petroleum Operating Company (GNPOC) registered in Mauritius.

The contract area of GNOP got divided between Sudan and South Sudan after division of the Country in July 2011, in respect of geographical locations. The northern contract areas of Blocks 1, 2 & 4, which now remain in Sudan, have major processing facilities and crude oil transportation system including 6 pump stations and export terminal at Port Sudan.

Since the year 2012, a part of Foreign Partner's share of oil is purchased by Government of Sudan (GOS), to meet the refinery requirement. However, the payment of dues on account of crude oil purchased by GOS has not been received, and your Company's share of the outstanding dues is about USD 245 million as on 31st March, 2016. Your Company along with other FPs have been continuously pursuing the matter with GOS for settlement of the outstanding dues.

Your Company's share in oil production from GNOP, Sudan was 0.627 MMT during FY'16 as compared to 0.705 MMT during FY'15.

5.4 Greater Pioneer Operating Company (GPOC), South Sudan

The project comprising Blocks 1, 2 & 4 in South Sudan is jointly operated by all partners through a Joint Operating Company GPOC registered in Mauritius. Your Company holds 25% PI in GPOC through its wholly owned subsidiary ONGC Nile Ganga B.V. Other partners in the project are CNPC (40%), Petronas (30%) and Nilepet (5%).

South Sudan, being a land locked country, is dependent on Sudan's crude oil pipeline system for evacuation of its crude oil for export through Port Sudan.

The Government of South Sudan enforced shut down oil field operations in South Sudan effective from 23rd January 2012, till settlement of geo-political issues through a 'Cooperation Agreement' in September 2012 and resumed operations in April, 2013.

However, due to internal conflict and the deteriorating security situation in South Sudan, the Production activities were again suspended since 21st December, 2013. The fields continue to be under shutdown and not accessible. As per reports, the field facilities are badly damaged and may take 6-8 months' time for restoration after getting the security clearance.

Due to shut-down condition, there was no production from the South Sudan fields during FY'16 and FY'15.

The cumulative investments in the GPOC after bifurcation from GNPOC, Sudan was ₹1,145.40 million (USD 18.82 million) till 31st March, 2016.

The cumulative investments in projects of GNOP, Sudan and GPOC, South Sudan were ₹109,305.50 million (USD 2,278.66 million) till 31st March, 2016.

5.5 Block 5A, South Sudan

Your Company holds 24.125% PI in Block 5A in South Sudan which was acquired from OMV Aktiengesellschaft of Austria on 12th May, 2004. Block 5A is located in the prolific Muglad basin and spread over an area of about 20,917 sq. km. Other partners in the Block are Petronas (67.875% PI) of Malaysia and Nilepet of South Sudan (8% PI).

Block 5A is jointly operated by all partners through a Joint Operating Company-SUDD Petroleum Operating Company (SPOC).

The Government of South Sudan enforced shut down oil field operations in South Sudan effective from 23rd January 2012, till settlement of geo-political issues through a 'Cooperation Agreement' in September 2012 and resumed operations in April, 2013.

However, due to internal conflict and the deteriorating security situation in South Sudan, the Production activities have again been suspended since 19th December, 2013. The fields continue to be under shutdown and not accessible. As per reports the field facilities are badly damaged and may take 8-12 months' time for restoration after getting the clearance from security department of SPOC.

There was no production from Block 5A, South Sudan during FY'15 and FY'16 due to shut down conditions of fields.

The cumulative investment in the project was about ₹ 20,404.30 million (USD 460.13 million) till 31st March, 2016.

5.6 San Cristobal Project , Venezuela

Your Company signed an agreement with Corporación Venezolana del Petróleo S.A. (CVP), a subsidiary of Petróleos de Venezuela S.A. (PdVSA) on 8th April, 2008 acquiring 40% PI in San Cristobal Project, Venezuela. San Cristobal project covers an area of 160.18 Sq. Km in the Zuata Subdivision of proliferous Orinoco Heavy Oil belt in Venezuela. The project is operated jointly by your Company and PdVSA through a Joint Venture Company (JVC) named as "Petrolera IndoVenezolana SA" (PIVSA), CVP and "PdVSA Social" jointly hold 60% equity in JVC and your Company holds 40% equity through ONGC Nile Ganga (San Cristobal) BV, a wholly owned subsidiary of ONGC Nile Ganga B.V. Though Your Company has received its dividend of USD 56.224 million for 2008, dividends for 2009 to 2013 totalling to USD 537.631 million remained unpaid due to cash flow difficulties being faced by PDVSA/CVP. The matter is being followed-up with concerned authorities at different levels.

During FY'16, your Company's share of crude oil production was 0.585 MMT as compared to 0.645 MMT during FY'15.

Your Company's share of investment in the project was ₹25,997.10 million (USD 486.69 million) till 31st March, 2016.

5.7 Imperial Energy, Russia

Your company acquired Imperial Energy Corporation Plc., an independent upstream oil Exploration and Production Company having its main activities in the Tomsk region of Western Siberia, Russia on 13th January 2009 at a total cost of USD 2.1 billion. Imperial's interests currently comprise eight blocks in the Tomsk region i.e. Block 69, 70-1, 70-2, 70-3, 77, 80, 85-1 and 86 with a total licensed area of approximately 12,700 square kilometres with 14 E&P licenses. The Production licenses were granted to the Company during 2005 to 2013 and are valid till 2027 to 2033. As on 1st April 2016, the 3P reserves in the project are 111.30 MMTOE. The post-acquisition development activities of Imperial Energy included drilling of 79 development wells including a new field development and construction of facilities. On the exploratory front, 31 exploratory/ appraisal wells were drilled from 2009 to March-2016 and 3 new fields were discovered.

Based on the exploration / development efforts put forward so far, Imperial Energy has primarily focused on exploiting from Upper Jurassic formation with relatively good reservoir characteristics. Major parts of Imperial's reserves are in tight formations that require advanced technology to exploit the reserves economically. Additionally, Bazhenov shale, the resource play with high oil potential which is present in all acreages of Imperial Energy is also focused for production with induction of New Technology.

Imperial Energy implemented a pilot project by drilling 4 new technology wells with advanced well completion with support of an USA based E&P Company having vast experience in producing from similar reservoirs. The pilot project was implemented with two different objectives; (i) enhancing production potential from Naunak (tight sand in Snezhnoye field) and (ii) establishment of oil flow potential from Bazhenov shale.

Pilot wells in tight sand have given successful results and based on their performance, it is envisaged that tight sand (Naunak formation) of Snezhnoye field can be developed optimally by deploying the technology tested in pilot wells. Field infrastructure facility is being developed prior to implementation of development scheme. It is also planned to extend the technology in phases to carry out pilot tests in other fields having oil in tight reservoirs.

Bazhenov shale project was hampered due to sanction imposed by EU/USA on Russia during the implementation phase of the project.

Apart from new technology pilot wells; extension of area and additional reserves were established in one of the oil fields, South Maiskoye. Appraisal drilling was carried out in the year 2015, which proved commercial oil flow and further development of the field is planned in 2016.

During the FY'16, production of Imperial Energy was 0.335 MMToe as compared to 0.289 MMToe during FY'15. The cumulative investment in the project was ₹128,330.80 million (USD 2,762.01 million) till 31st March, 2016.

5.8 Mansarovar Energy Project, Colombia

Mansarovar Energy Colombia Limited (MECL), Colombia is your 50:50 joint venture company with Sinopec of China. Effective 1st April, 2006, MECL's assets constitute 100% interest in Velasquez fee mineral property and 50% interest in the Nare Association contracts where the Colombian national oil company, Ecopetrol holds the remaining 50%. MECL also owns 100% of the 189-km Velasquez-Galan pipeline, connecting the Velasquez property to Ecopetrol's Barrancabermeja refinery. MECL also acquired another exploration Onshore Block Llanos-69 (LLA-69) in prolific llanos basin of Colombia in the Colombia Bid Round 2012. The Company has taken initiatives like steam flooding, foam injection etc. to improve oil recovery from the producing fields. Pilot Steam flooding project at Jazmin and Water flooding pilot project at Velasquez are under evaluation.

Your Company's share of oil and oil equivalent gas production from MECL was 0.614 MMTOE during FY'16 as compared to 0.618 MMTOE during FY'15.

Your Company's share of gross investment in the project was ₹ 53,696.90 million (USD 1, 111.90 million) till 31st March, 2016.

5.9 Al Furat Project, Syria

The project is owned by Himalaya Energy Syria B.V. (HESBV), a Joint Venture Company of ONGC Nile Ganga B. V., a wholly owned subsidiary of your Company and Fulin Investments Sarl, a subsidiary of China National Petroleum Company International (CNPCI), holding 50% shares each. The project was acquired w.e.f. July 2005 under Production Sharing Agreement with approx., 36% Participating Interest for HES BV and approx. 64 % for Shell Syria Petroleum Company. The fields are operated by Al Furat Petroleum Company (AFPC), Joint Venture Company of Syrian Petroleum Company, the National Oil Company of Syria, Shell Syria Petroleum Development Co. and HESBV. Due to political development in Syria, European Union imposed oil trade sanctions on Syria in September, 2011. The EU sanctions were specifically targeted at crude oil exports making vessel availability, associated insurance and payment extremely difficult. European Union further imposed enhanced sanctions on Syria on 1st December, 2011 and also included AFPC and General Petroleum Company in the list of sanctioned Syrian entities. Since then due to Force Majeure situation, operations were stopped by foreign partners.

During FY'16, the project continued under Force Majeure situation. It is understood that there is no information of production from AFPC Oilfields due to continued political and security problem in the country and oilfield areas.

Due to Force Majeure situation, the accounting of revenue and expenditure has not been carried out during FY'14 - FY'16. Resumption of Operations in the project by your Company is expected on normalization of political and security situation in Syria.

Your Company's share of investment in the project was ₹12,447.80 million (USD 278.51 million) till 31st March, 2016.

5.10 Block BC-10, Brazil

Block BC-10 is deep water offshore Block located in the Campos Basin approximately 120 km southwest from the city of Vitoria off

the coast of Brazil with a water depth of around 1800 meters. Your Company presently holds 27% PI (acquired 15% in 2006 and 12% in 2013) in the project. Other partners in the Block are Shell with 50% PI as operator and Qatar Petroleum with 23% PI. Development of Phase 1, Phase 2 and Phase 3 of the Block was completed. In Phase 1, total 11 wells (10 producers and 1 gas injector) were drilled and oil production commenced on 12th July 2009. In Phase 2, 11 wells (7 producers and 4 water injectors) were drilled and production commenced on 1st October 2013. In Phase 3, total 7 wells (5 producers and 2 water injectors) were drilled and production commenced on 10th March 2016.

Your Company's share of oil and oil equivalent was 0.689 MMTOE during FY'16 as compared to oil of 0.852 MMTOE during FY'15.

The total investment made in the Project by your company is ₹105,636.90 million (USD 1,902.22 million) as on 31st March 2016.

5.11 ACG Project, Azerbaijan

On 28th March 2013, your Company acquired the 2.72% PI from Hess Corporation for Azeri, Chirag and deep water portion of the Guneshli (ACG) fields in the Azerbaijan sector of the Caspian Sea. The field is operated by BP on behalf of the Azerbaijan International Operating Company (AIOC), a consortium of BP (35.79% PI), SOCAR (11.65% PI), Chevron (11.27% PI), INPEX (10.96% PI), Statoil (8.56% PI), ExxonMobil (8.0% PI), TPAO (6.75% PI), Itochu (4.30% PI) and ONGC Videsh (2.72% PI). The current Production Sharing Agreement for this field is valid till December 2024.

Your Company also acquired 2.36% interest in Baku-Tbilisi-Ceyhan (BTC) pipeline held by Hess Oil and Gas Holdings Inc. BTC Pipeline is operated by BP and other shareholders are SOCAR, Chevron, INPEX, Statoil, TPAO, Itochu, TOTAL, ENI and CIECO.

ACG, discovered in the 1970s and 1980s, is the largest oil and gas field of Azerbaijan located in the South Caspian Sea; about 95 km off the coast of Azerbaijan. Operations at the ACG field started in November 1997 with the start-up of production from the Chirag-1 platform (Early Oil Project). Central, West and East Azeri complex were developed under Phases 1 and 2 and Deep Water Guneshli portion was developed under Phase 3. Phase 4 of the development of ACG field known as the Chirag Oil Project (COP) has been completed in January 2014 and first oil from COP was received on 28th January 2014.

Oil from the fields is received at the onshore Sangachal oil terminal located 50 km southwest of Baku. The BTC pipeline commences from Sangachal terminal, runs through Azerbaijan, Georgia and Turkey and terminates at Ceyhan terminal in Turkey with a total length of 1,768 km (42 - 46" Dia). The majority of ACG oil is transported to the Mediterranean via the BTC pipeline, a major infrastructure project built to serve ACG.

Some volumes of oil are also exported via the Western Route Export Pipeline (WREP total length is 830 km, 20" Dia) to Georgia's Black Sea port of Supsa and via rail to Georgia's Black Sea port of Batumi. The Georgian Sector of the WREP is managed by the Georgian Pipeline Company, which has the same shareholders as AIOC.

While BTC Co. operates the pipeline in Azerbaijan and Georgia Section, BOTAS International Limited, a Turkish Government company, operates the pipeline in the Turkish sector.

Your company's share of oil and gas production from ACG field was 0.847 MMT and 0.117 BCM respectively for FY'16 as compared to oil production of 0.859 MMT and gas production of 0.136 BCM during FY'15.

Your Company's share of investment in the project (ACG and BTC) was ₹ 59,780.90 million (USD 1,072.86 million) till 31st March, 2016.

5.12 Block A-1 and A-3, Myanmar

Block A-1 and Block A-3 are located around 110 Km west of Ramree Island in Rakhine state in a water depth ranging up to 1500 meters near the maritime border with Bangladesh. Daewoo was awarded Block A1 in the year 2000 and Block A-3 in the year 2004. Subsequently other partners-MOGE, OVL, GAIL and KOGAS farmed-in in these two blocks. Posco Daewoo Corporation (Earlier Daewoo International Corp.) is the Operator of the blocks. After completion of exploration and appraisal of A-1 and A-3 blocks, the consortium made 4 discoveries of gas fields (two in each block namely Shwe & Shwe Phyu in A1block and Mya North and Mya South in A-3 block). Shwe and Shwe Phyu were discovered in January 2004 and March 2005 respectively and Mya North, Mya South were discovered in March 2006.

Your Company holds 17% PI in Blocks A-1 and A-3 and remaining stakes are held by Posco Daewoo Corporation (51%), GAIL and KOGAS (8.5% each) and Myanmar Oil & Gas Enterprise i.e. MOGE (15%). MOGE is NOC & Regulatory wing of Myanmar under Ministry of Energy.

Block A-1 extends over an area of 2,129 sq. km of Rakhine Coast in Arakan offshore in north-western Myanmar. Commercial quantity of natural gas has been discovered in the Block in two fields, Shwe and ShwePhyu. The Shwe and Shwe Phyu field appraisals have been completed by the consortium. Out of 16 exploratory/ appraisal wells drilled so far in the block, 9 have been found gas bearing.

Block A-3, the adjacent to the Block A-1, covers an area of 3,441 Sq.km with bathymetry up to 1,500 meters in the Rakhine offshore. So far six exploratory wells have been drilled in this Block out of which three are gas bearing. Commercial quantity of natural gas has been discovered from Mya Gas Field.

The commercial gas production from blocks A-3 and A-1 commenced from 15th July'13 and 10th January, 2014 respectively.

Well Loto # 2 in Block CPO-5

Currently, processing/reprocessing and interpretation of newly acquired 3D seismic data and legacy data is ongoing. This would lead to drilling of two exploratory wells in Pearl South & Prospect-G (under existing contact area) during 2017-18.

Your company's share of combined gas production from Blocks A-1 and A-3 fields was 0.891 BCM during FY'2015-16 against 0.662 BCM in FY'2014-15. The average production for the year 2015-16 was 506 MMscfd.

Your Company's share of investment in the project till 31st March, 2016 was ₹18,089.50 million (USD 343.59 million) and ₹6,195.50 million (USD 130.15 million) for Blocks A-1 and A-3 respectively.

5.13 Shwe Offshore Mid-stream Project, Myanmar

The mid-stream project is an unincorporated joint venture between the consortium and is a part of the combined development of Block A-1 and A-3. As a part of this project, 110 Km X 32" gas trunk transportation pipeline of ultimate capacity of 960 MMSCFD has been constructed and is being used for transportation of gas from Shwe Offshore Platform (SHP) to land fall point at Ramree Island. The onshore gas terminal (OGT), supply base and jetty have been constructed through an EPCIC contract. Your Company is having Participating Interest of 17% in the Offshore Pipeline Project.

Your Company's share of investment in the project was ₹3,646.30 million (USD 71.44 million) till 31st March, 2016.

5.14 Onshore Gas Transportation Pipeline, Myanmar

To export the gas production from blocks A-1 & A-3 of Myanmar offshore a Gas Sales Agreement (GSA) was signed between the Daewoo International-led consortium (partners of blocks-A-1 & A-3) and China National United Oil Corporation (CNUOC) in December 2008. It was planned to export the gas to Chinese market through a trans-country pipeline from Myanmar to China. A joint operating pipeline company named South East Asia Gas Pipeline Company Limited (SEAGPCL) was formed and registered in Hong Kong on 25th June, 2010 by the consortium with the objective of laying trans-country gas pipeline from land fall point at Ramree Island to Ruilli at Myanmar-China border. CNPC is the major stake holder in the pipeline company with 50.9% share.

Visit of Shri Dharmendra Pradhan, Hon'ble Minister of State (Independent Charge), Petroleum & Natural Gas, Government of India to MECL's oil field, Colombia in May 2015

Your Company is participating in the project through its investment arm ONGC Caspian E & P B.V (OCEBV) and holds 8.347% share. The other stake holders in the pipeline project are CNPC (50.9%), Daewoo (25.041%), MOGE (7.365%), GAIL (4.1735%), and KOGAS (4.1735%). The joint venture company has laid pipeline of 792.5 Km X 40" and has 3 distribution stations and 2 compressor stations along the route and has a design pressure of 10 Mpa (101.5 kg/cm2) and a design capacity of 12 BCM per year (1160 MMSCFD).

Your Company's share of investment in the project was ₹8,213.40 million (USD 151.97 million) till 31st March, 2016.

Your Company's share in the combined development of Blocks A-1 and A-3 Offshore, Mid-stream project and Onshore Gas Transportation Pipeline was ₹36,144.70 million (USD 697.15 million) till 31st March 2016.

6. DISCOVERED ASSETS/ASSETS UNDER DEVELOPMENT

6.1 Project Farzad B , Iran

Farsi is an offshore exploration Block spread over 3,500 sq km in Persian Gulf Iran with a water depth of 20-90 meters. The Exploration Service Contract (ESC) for the Block was signed on 25th December, 2002. Your Company holds 40% PI as operator and the remaining PI is held by Indian Oil Corporation Limited (40% PI) and Oil India Limited (20% PI). Pursuant to the discovery of gas made by the Consortium led by your Company in FB (later rechristened as Fazad-B) structure, commerciality of the block was declared by National Iranian Oil Company (NIOC), Iran on 18th August 2008. The ESC expired on 24th June, 2009.

The Master Development Plan (MDP) of Farzad-B gas field was submitted in April, 2011 to Iranian Offshore Oil Company (IOOC) - designated authority by NIOC for development of Farzad-B gas field. Subsequently, the Development Service Contract (DSC) of Farzad-B Gas Field, though negotiated till November, 2012, could not be finalized due to difficult terms in the DSC and provisions of international sanctions on Iran.

During Tehran Conference in November, 2015, it was announced that development rights of Farzad-B would be with the consortium, pending agreement of Iran Petroleum Contract (IPC).

Your Company is now in discussion with Pars Oil and Gas Company (POGC) - designated authority by NIOC -for development of Farzad-B gas field.

Your Company's share of investment was USD 37.31 million till 31st March, 2016.

6.2 Rovuma Area 1 offshore Block, Mozambique

Your Company holds 16% participating interest (PI) in the Block Rovuma Area 1 Offshore Mozambique (Area 1), 10% PI held directly and 6% PI through Beas Rovuma Energy Mozambique Limited (BREML), a BVI company held jointly by ONGC Videsh and OIL in the ratio of 6:4. BREML holds 10% PI in Area-1, Mozambique.

The other partners in Area- 1 include Anadarko (operator), ENH (the National Oil Company of Mozambique), Mitsui, BPRL and PTTEP.

Second and final Exploration phase for Area-1 ended on 31st January, 2015 resulted in discovery of five areas viz. Prosperidade, Golfinho-Atum, Orca, Tubarao & Tubarao-Tigre. As a result of a successful exploration and appraisal, Area-1 today represents one of the largest natural gas discoveries in offshore East Africa with estimated recoverable resources of 60 to 75 trillion cubic feet and has the potential to become one of the world's largest LNG producing hubs.

Area-1 plans to develop initially two LNG trains of about 6 MMTPA each from the Golfinho- Atum Field. In addition to the two wells drilled last year, four more maturation wells were drilled in the current year. All these wells are successful and gas bearing. We have independently certified reserves sufficient to support a two train LNG development.

Area-1 is working towards taking Final Investment Decision (FID) as quickly as possible by delivering the key elements required for FID. Area-1 is working diligently with the Government of Mozambique (GoM) to get a comprehensive legal and contractual framework. Area-1 has made good progress in delivering many components of this framework including the Decree Law, which provides the legal framework for the development of LNG projects in Mozambique. Significant progress has been made with GoM on other agreements and approvals necessary for the LNG project.

Area-1 has secured an agreement with the Government of Mozambique for the land where the onshore LNG park will be located. Front End Engineering Design (FEED) has been completed and EPC Contractor for onshore LNG plant has been selected. Area-1 continues to make steady progress on marketing LNG on a long term basis through non-binding HoA's with multiple Asian customers for approximately 2/3rd of the required capacity for 2 trains. Area-1 targets to raise upto USD15 billion through project finance and is in discussions with the leading ECAs in this regard.

Area-1 partners are committed towards achieving first LNG cargo as quickly as possible.

Your Company's share of investment in the project was about USD 4,414.5 million till 31st March, 2016.

6.3 Carabobo Project, Venezuela

Your Company along with Indian Oil Corporation Limited (IOCL), Oil India Limited (OIL), Repsol YPF (Repsol) and Petroliam Nasional Berhad (PETRONAS) (collectively, the "Consortium"), was awarded by the Government of the Bolivarian Republic of Venezuela 40% ownership interest in an "Empresa Mixta" (or "Mixed Company") for developing the Carabobo-1 North (203 sq.km.) and Carabobo-1 Central (180 sq.km.) blocks located in the Orinoco Heavy Oil Belt in eastern Venezuela. Your Company holds 11% PI in Carabobo-I project through its subsidiary Carabobo One AB. Repsol holds 11% PI, IOCL and OIL holds 3.5% PI each in the project. The Corporación Venezolana del Petróleo (CVP), a subsidiary of Petróleos de Venezuela S.A. (PDVSA), Venezuela's state oil company, holds the remaining 71% equity interest. The Mixed Company was incorporated as Petro Carabobo S.A. (PCB).

The project has estimated Oil in Place of about 27 Billion barrels. The Mixed Company would build heavy (8-90 API) oil production facilities, upgrading facilities and associated infrastructure for producing and processing the extra-heavy crude oil. The project is expected to produce about 400,000 barrels per day of which approximately 200,000 barrels per day will be upgraded into light crude oil (320 API). The license period is for 25 years with a potential further extension of 15 years.

One Service Company, Carabobo Ingenieria Y Construcciones S.A (CICSA), for executing the jobs under Development plan was incorporated on 21st January 2011. So far thirteen stratigraphic wells have been drilled for gathering petrophysical data for updation of reservoir model. Presently the project of construction of a pipeline corridor from CPF-1 to COMOR & El Salto is in progress.

The construction of 30 KBD plant has been completed successfully and the first phase of processing of crude oil has commenced on 1st July 2015 with the introduction of Hydrocarbon in Train B and second phase of processing (Train A) has commenced from end of Jan 2016. 3D-3C Seismic processing of data is in progress and the percentage completion of the total processing at the end of March 2016 is 80%.

First oil from the field as per Accelerated Early Production (AEP) Plan was achieved on 27th December 2012 and currently the field is producing around 19,886 BOPD (as on March 2016) with 46 development wells in production. Your Company's share of crude oil production was 0.112 MMT during FY'16.

Your Company's share of investment in the project was ₹11,700.50 million (USD 224.99 million) till 31st March, 2016.

6.4 Block XXIV, Syria

The Contract for Exploration, Development and Production of Petroleum for the Block XXIV, Syria was signed on 15th January, 2004 with effective date from 29th May, 2004. Your Company holds 60% PI in the Block with IPR Mediterranean Exploration Ltd. (Operator) and Tri Ocean Mediterranean holding PI of 25% and 15% respectively.

The exploration phase for the block expired on 28th September, 2011. The consortium over achieved the physical Work Commitment by drilling a total of 14 wells in the Block in this phase. During FY'12, the consortium drilled 7 exploratory wells, out of which 3 wells flowed oil/gas and 1 well showed presence of hydrocarbon. Extended production testing of three exploratory wells in Abu Khashab area was carried out to acquire reservoir data and also to determine its production potential. One development well was also drilled during the FY'12.

Based on the exploration results, the Government of Syria granted development rights for additional areas of three formations in Abu Khashab area. Plan of Development (PoD) for the area is being prepared by the Operator. Further, the consortium's request for granting of development right for Romman Area was under active considerations of the Syrian Authorities. The Operator has invoked 'Force Majeure' in the Block w.e.f. 30th April, 2012 citing effects of US sanctions and deteriorating law and order situation in the operational areas resulting in all activities being put on hold.

Your Company did not produce any oil from the project during FY'16. Your Company's share of investment in the project was ₹3,234.40 million (USD 70.09 million) till 31st March, 2016.

7. EXPLORATORY ASSETS

7.1 Block SSJN-7, Colombia

The block SSJN-7 was awarded to Pacific Rubiales Energy (PRE) in 2008 bid round of Colombia. The block has an area of 2707 sq.km located in the South Western part of onshore Sinu San Jacinto basin of Colombia. Your company ONGC Videsh is a partner with 50% PI and PRE is the Operator with 50% PI. 2D seismic survey was completed in the Eastern part of the block. Further acquisition of 2D seismic data in the Western part of the block, and drilling of one well is to be carried out to fulfill MWP of exploration period. Exploration Phase-1 was under suspension from 2nd March 2012 till 2nd December 2014 which has been revoked and extension granted till 25th February 2017. Your Company's share of investment in the project was ₹522.20 million (USD 9.81 million) till 31st March 2016.

7.2 Block CPO-5, Colombia

The block was awarded to your Company in 2008 bid round of Colombia. This block has an area of 1,992.47 sq km located in the South Western part of the most prolific oil & gas onshore Llanos basin of Colombia. In June 2010, your Company divested 30% PI to Petrodorado Energy (PDQ) retaining the operatorship of the block. After completing 2D & 3D seismic data API in South Eastern part of the block and other G&G studies, 2 exploratory oil wells, Kamal-1 & Loto-1 have been drilled in 2012 & 2013 respectively. The MWP of Phase-1 has been successfully completed and your Company has entered in Exploration Phase-2 of the Block w.e.f. 11th April, 2013. MWP of Phase-2 consists of drilling one A3 Exploratory well, 205 Sq km 3D Seismic API and reprocessing of 500 LKM 2D Seismic. Acquisition and Processing of 254 Sq KM 3D seismic data in NW part of the block has been completed.

In September 2015, well LOTO-2 was drilled on Loto prospect but testing result was not encouraging and further plan is under formulation. Your Company's share of investment in the project was ₹3,713.5 million (USD 67.54 million) till 31st March 2016.

7.3 Block RC-8, Colombia

The block was awarded to your Company in 2007 bid round of Colombia. This block with water depth ranging from 20-1400m has an area of 1385 Sq. km located in the North Western part of offshore Guajira basin of Colombia. Your Company is the Operator with 40% PI in the block. Ecopetrol and Petrobras joined as partners with 40% and 20% PI respectively. 2D and 3D seismic data were acquired and G&G studies were carried out in the block which fulfilled the commitment of the first and second phase of the exploration period. Extension was sought for exploration Phase-2 with commitment of a contingent well but ANH (Regulator) did not grant the extension. The block is under relinquishment. Your Company's share of investment in the project was ₹348.4 million (USD 7.50 million) till 31st March 2016.

7.4 Block RC-9, Colombia

The block was awarded to Ecopetrol in 2007 bid round of Colombia. This block with water depth ranging from 40-160 m has an area of 1060 Sq. km located near Chuchupa and Ballena Gas fields in the North Western part of offshore Guajira basin of Colombia. Ecopetrol is having 50% PI and also an Operator and your Company holds remaining 50% PI in the block. As 3D seismic data was acquired and G&G studies have been carried out in the block which fulfilled the commitment of the first and second phase of the exploration period. Extension was granted by the Regulator for three year for Exploration Phase-2 with commitment of one Well. One exploratory location has been released and is being planned for drilling in 2017 to fulfill the MWP commitment. Pre-drill activities are being carried out by the operator. Your Company's share of investment in the project was ₹748.2 million (USD 12.79 million) till 31st March 2016.

7.5 Block RC-10, Colombia

The block was awarded to your Company in 2007 bid round of Colombia. This block with water depth ranging from 200-2600m, has an area of 1340 Sq. km and is located in the North Western part of offshore Guajira basin of Colombia. Your Company is the operator with 50% PI. Remaining 50% PI is held by Ecopetrol. 2D and 3D seismic data were acquired and G&G studies have been carried out in the block which fulfilled the commitment of the first and second phase of the exploration period. Extension was granted by the Regulator for three years for Exploration Phase-2 till 28th Nov 2016 with commitment of one Well. Your Company applied for 9 months extension under new agreement released by ANH which was subsequently granted by ANH, hence revising the block expiry to 28th August 2017.

Your Company's share of investment in the project was ₹745 million (USD 14.88 million) till 31st March 2016.

7.6 Block Gua Off-2, Colombia

The block was awarded to your Company in 2012 bid round of Colombia. This block with water depth ranging from 1500-2700m has an area of 1171 Sq. km and is located in the North Western part of offshore Guajira basin of Colombia. Your Company holds 100% PI in the block. Acquisition of 3D seismic data and piston cores is the MWP for ongoing first phase of exploration period. Environmental and socialization process is ongoing. Your Company has applied to the regulator (ANH) for 9 months extension under new agreement released by ANH which was subsequently granted by ANH, hence revising the block expiry to 15th November 2016. Your Company's share of investment in the project was ₹111.3 million (USD 1.83 million) till 31st March 2016.

7.7 Block Llanos-69 (LLA-69), Colombia

The block was awarded in 2012 bid round of Colombia to Mansarovar Energy Colombia Limited (MECL), a joint venture of your Company ONGC Videsh with 50% PI and SINOPEC with 50% PI. This block has an area of 226 Sq. km and is located in the Foothill, North Western part of the prolific Llanos basin of Colombia. MECL is the operator in the block. To fulfill MWP of the ongoing first phase of exploration period, 3D seismic survey is planned to be carried out in the block in 2016 and depending on the interpretation, decision on drilling of one commitment exploratory well will be firmed. ANH approved 9 months extension and Mansarovar signed the respective amendment making 12th March 2017, the Phase-1 deadline. Your Company's share of investment till 31st March, 2016 was about ₹195.6 million (USD 3.09 million) in the block.

7.8 Satpayev Project, Kazakhstan

Your Company signed agreements with JSC NC KazMunaiGas (KMG), the National Oil Company of Kazakhstan for acquisition of 25% participating interest in Satpayev exploration block on 16th April, 2011 at Astana, Kazakhstan in the presence of Hon'ble Prime Minister of India and the President of Kazakhstan. This transaction marks the entry of your Company in hydrocarbon-rich Kazakhstan. Satpayev exploration block, located in the Kazakhstan sector of the Caspian Sea, covers an area of 1482 sq. km at a water depth of 4-9 mts. Satpayev Block is situated in close proximity to major discoveries in the North Caspian Sea. Your Company carries KMG for its 75% share and therefore will bear the entire 100% expenditure during the exploration and appraisal phase of the Project. G&G commitments including acquisition, processing and Interpretation of 1200 LKM of 2D Seismic data has already been completed, based on which locations for two exploratory wells were identified.

The 1st commitment exploration well was drilled in 2015 and went dry. In view of drilling results of 1st well, prospectivity of the Block area was reassessed by the Operator (Satpayev Operating LLP). Work on identification of drilling location for second commitment well for deeper target is under way.

Extension of Contract for another two years w.e.f 16th June 2016 is also under consideration of Government of Kazakhstan.

Your Company's share of investment in the project was about ₹11,095.40 million (USD 204.30 million) till 31st March, 2016.

Hon'ble Minister of State (Independent Charge), Petroleum & Natural Gas, Shri Dharmendra Pradhan with H.E. Mr. Pedro Cuoto, Minister of Energy & Mineral Resources, Mozambique in bilateral discussions during visit of ministerial delegation to Mozambique in April 2015

7.9 Block BM-SEAL-4, Brazil

Your Company farmed in to the Block in June, 2007 as part of swap agreement between your Company and Petrobras. Petrobras as an operator has 75% PI and your Company as partner holds 25% PI in BM-Seal-4 block. Your company entered in exploration phase-2 with a Minimum Work program of drilling of 2 wells. Two exploratory wells, Japartuba-1 (Dry & Abandoned) and Poco Verde (thin oil and gas pays in Campanian), have been drilled thereby accomplishing the MWP.

At the end of the exploration phase-2 (June 2013), the operator has proposed two appraisal plans viz. Poco Verde and Moita Bonita. Your Company has decided to participate into Moita Bonita PAD (Discovery Appraisal Plan) which covers an area of about 1020 sq.km spread over NW part of BM-SEAL-4 block (320 sq. km) and SE part of BM-SEAL-10 block (700 sq. km) concessions.

ONGC Videsh has withdrawn from PAD Poco Verde (1-SES-159). Relinquishment process is in progress. The committed work program in Moita Bonita PAD is 3D seismic of 1020 sq. kms, drilling of 3 firm wells and 2 Contingent wells. 3D seismic of 1020 sq. kms and drilling of 4 wells (3 firm & 1 contingent) was completed in the PAD. Operator has informed that ANP has granted extension for submission of the Declaration of Commerciality of Moita Bonita Appraisal Plan to 1st December 2020.

Your Company's share of investment till 31st March, 2016 was about ₹3,265.60 million (USD 59.70 million) in the Block.

7.10 Contract Area 43, Libya

Your Company acquired Contract Area 43 located in Cyrenaica offshore basin of Libya in the Mediterranean Sea under an Exploration and Production Sharing Agreement (EPSA) effective from 17th April, 2007. Contract Area 43 consists of four blocks spread over an area of 7,449 Sq. Km. The block boundaries extend from the coastline to a water depth of about 2200 meters. Your Company holds 100% PI in Contract Area 43 with operatorship. The acquisition, processing and interpretation of 1011 LKM 2D and 4000 Sq. Km. 3D seismic data has been completed. Due to civil unrest in Libya, the Contract area remained under Force Majeure from 26th February 2011 to 31st May, 2012. The exploration phase of Contract Area 43 got extended (corresponding to Force Majeure period) i.e. up to 21st July 2013.

In view of security situations, NOC, Libya was requested for extension of exploration period by 2.5 years i.e. up to 21st January 2016, for carrying out further exploratory activities, however extension was granted for one year upto 21st July 2014. Your Company is currently under discussions with NOC Libya for extension of exploratory period and declaration of force majeure w.e.f. 21st July 2014.

Your Company's share of investment in the project was ₹1,967.10 million (USD 42.40 million) as on 31st March, 2016.

7.11 Exploration Block-8, Iraq

Your Company is the sole licensee of Block-8, a large on-land exploration Block in Western Desert, Iraq spread over 10,600 sq km. The Exploration & Development Contract (EDC) for the Block was signed on 28th November, 2000. The contract was ratified by the Government of Iraq on 22nd April, 2001 and was effective from 15th May 2001. Since then, the work relating to archival, reprocessing and interpretation of the existing seismic data has been completed. However, your Company had to notify the force majeure situation to the Ministry of Oil, Iraq in April, 2003 due to prevailing conditions in Iraq. In 2008, your Company was informed that Government of Iraq had decided to re-negotiate the Block-8 contract in-line with the provisions of the new oil and gas law which was expected to be promulgated soon. However re-negotiation is yet to commence.

Your Company's share of investment in the project was ₹48.70 million (USD 1.03 million) till 31st March, 2016.

7.12 Block 128, Vietnam

Your Company signed PSC with Petro Vietnam for deep water exploratory Block- 128 having an area of 7058 Sq.km in Offshore Phu Khanh Basin, Vietnam in May 2006. Ministry of Petroleum & Industries (MPI), Vietnam issued investment license on 16th June 2006, being the effective date of the PSC. Your Company is the operator for the block with 100% Participating Interest (PI). The water depth is ranging from 200-2000m.

During the exploration period, acquisition of 3D seismic data and reprocessing of 2D seismic data and G&G studies were carried out fulfilling a part of MWP of the 1st Phase of exploration period. Further G&G studies are being carried out. One commitment exploratory well is to be drilled as a part of MWP of 1st Phase of exploration period. Further extension of Phase I of exploration period was granted to your Company from 16th June 2014 to 15th June 2016. Your Company has applied for extension of phase I for one more year (16th June 2016 to 15th June 2017).

Your Company's share of investment in the project was ₹2,228.6 million (USD 51.00 million) till 31st March, 2016.

7.13 Block SS-09, Bangladesh

The block was awarded to your company ONGC Videsh in consortium with Oil India Ltd (OIL) in Bangladesh bid round 2012. The PSC was signed on 17th Feb 2014 between Government of People's Republic of Bangladesh, Bangladesh oil and Gas & Mineral Corporation (PETROBANGLA) and consortium of your Company with OIL and Bangladesh Petroleum Exploration and Production Company Limited (BAPEX). Your Company is the Operator with 45% PI; while the partners OIL and BAPEX have 45% and 10% PI respectively in the block. BAPEX's 10% PI is being carried by ONGC Videsh and OIL in proportion to their respective interests in respect of all expenditure up to the date of first commercial discovery.

The Block SS-09 covers an area of 7,026 sq. km. located in offshore Bengal Basin. As per Minimum Work Program (MWP), during the first phase of exploration, Acquisition of 2850 LKM of 2D Seismic data and drilling of two wells has been planned. Presently, 2357.125 LKM of 2D Streamer Seismic Data has been acquired and processing is under progress. Remaining, 2D data shall be acquired through Ocean Bottom Cable (OBC) Seismic Survey starting from October 2016.

Your Company's share of investment in the project was ₹47.9 million (USD 0.73 million) till 31st March, 2016.

7.14 Block SS-04, Bangladesh

The block was awarded to your Company in consortium with Oil India Ltd (OIL) in Bangladesh bid round 2012. The PSC was signed on 17.02.2014 between Government of People's Republic of Bangladesh Oil and Gas & Mineral Corporation (PETROBANGLA) and consortium of your Company with OIL and Bangladesh Petroleum Exploration and Prodduction Company Limited (BAPEX). Your company is the Operator with 45% PI; while the partners OIL and BAPEX have 45% and 10% (carried) PI respectively in the block. BAPEX's 10% PI is being carried by ONGC Videsh and OIL in proportion to their respective interests in respect of all expenditure up to the date of first commercial discovery.

The Block SS-04 covers an area of 7,269 sq. km. and located in offshore Bengal Basin. As per Minimum Work Program (MWP), during the first phase of exploration, acquisition of 2700 LKM of 2D Seismic data and drilling of one well has been planned. Presently, 653.675 LKM of 2D Streamer Seismic Data has been acquired and processing is under progress. Remaining, 2D data shall be acquired through Ocean Bottom Cable (OBC) Seismic Survey starting from October 2016.

Your Company's share of investment in the project was ₹56.6 million (USD 0.87 million) till 31st March, 2016.

7.15 Block B2, Myanmar

The block was awarded to your Company in the Myanmar Onshore Bid Round 2013. The PSC was signed on 8th August 2014 with "MOGE" (Regulator) by your Company as an Operator having 97% PI and M&S (local partner) with 3% (carried) PI in the block.

The Block is located in the Zebyutaung–Nandaw area and geologically in the Northern part of the Chindwin Basin. The approximate size of block is 16,996 Sq. Km.

Acquisition of 2D seismic data is to be carried out in the block and two commitment exploratory wells are to be drilled for fulfilling of Minimum Work Program (MWP) of the 1st phase of ongoing exploration period which commenced from 1st January 2016. The pre-seismic Environment Impact Assessment (EIA) report has been submitted to the Regulator. The seismic survey is planned to commence in October 2016.

Your Company's share of investment in the project was ₹152.7 million (USD 2.27 million) till 31st March, 2016.

7.16 Block EP3, Myanmar

The block was awarded to your Company in the Myanmar Onshore Bid Round 2013. The PSC was signed on 08th August 2014 with "MOGE" (Regulator) by your Company as an Operator having 97% PI (participating interest) and M&S (local partner) with 3% (carried) PI in the block.

The block EP-3 is located in the Central Burma Basin (Bago Yoma Sub Basin) with an area of approximately 1,650 Sq.Km.

Acquisition of 2D seismic data is to be carried out in the block and two commitment exploratory wells are to be drilled for fulfilling of MWP of the 1st phase of ongoing exploration period which commenced from 1st January 2016. The pre-seismic Environment Impact Assessment (EIA) report has been submitted to the Regulator. The seismic survey is planned to commence in October 2016.

Indian delegation with H.E. Bijan Namdar Zangeneh, Hon'ble Minister of Petroleum, Republic of Iran in July 2015

Your Company's share of investment in the project was ₹119.0 million (USD 1.77 million) till 31st March, 2016.

7.17 Block PEP-57090, New Zealand

The block was awarded to your Company in the New Zealand Bid Round 2014 on 9th December, 2014 for a term of 12 years commencing from 1st April, 2015. Your company as an Operator is having 100% PI. The block PEP-57090 has an area of 2120.761 sq. km and is located in the offshore Taranaki Basin with water depth ranging between 300-400m. MWP for exploration phase I comprises Acquisition, Processing and Interpretation (Structural Mapping and seismic attribute study) of 1400 SKM of full fold 3D.

Your Company has registered its branch in New Zealand and is in the process of obtaining various permits and licenses for commencing the seismic activities in the block.

Your Company's share of investment in the project was ₹5.5 million (USD 0.08 million) till 31st March, 2016.

8. PROJECTS RELINQUISHED DURING THE FINANCIAL YEAR 2015-16

There was no project relinquished during the FY'16.

9. DIRECT SUBSIDIARIES OF ONGC VIDESH LIMITED

9.1 ONGC Nile Ganga BV (ONGBV)

ONGBV, a subsidiary of ONGC Videsh, is engaged in E&P activities directly or through its subsidiaries in Sudan, South Sudan, Syria, Venezuela, Brazil and Myanmar. ONGBV holds 25 per cent Participating Interest (PI) in Greater Nile Oil Project (GNOP), Sudan with its share of oil production of about 0.627 MMT during 2015-16. ONGBV also holds 25 per cent PI in Greater Pioneer Operating Company (GPOC), South Sudan. Due to adverse geo-political conditions, ONGC Videsh could not produce in GPOC, South Sudan during FY'16.

ONGBV holds 16.66 per cent to 18.75 per cent PI in four Production Sharing Contracts in Al Furat Project (AFPC), Syria. Due to force majeure condition in Syria, there was no production in AFPC project during FY'16. ONGBV holds 40 per cent PI in San Cristobal Project in Venezuela through its wholly owned subsidiary ONGC Nile Ganga (San Cristobal) BV with its share of oil & oil equivalent gas production of about 0.649 MMtoe during FY'16. ONGBV holds 27 per cent PI in BC-10 Project in Brazil through its wholly owned subsidiary ONGC Campos Ltda. with its share of oil and gas production of about 0.689 MMtoe during FY'16. It also holds 25 percent PI in Block BM-SEAL-4 located in deep-water offshore, Brazil through its wholly owned subsidiary ONGC Campos Ltda. ONGBV also holds 8.347 percent PI in South East Asia Gas Pipeline Co. Ltd., (SEAGP) for Pipeline project, Myanmar through its wholly owned subsidiary ONGC Caspian E&P B.V.

9.2 ONGC Amazon Alaknanda Limited (OAAL)

OAAL, a wholly-owned subsidiary of ONGC Videsh, holds stake in E&P projects in Colombia, through Mansarovar Energy Colombia Limited (MECL), a 50:50 joint venture company with Sinopec of China. During FY' 16, ONGC Videsh's share of oil and oil equivalent gas production in MECL was about 0.614 MMToe.

9.3 ONGC Narmada Limited (ONL)

ONL, a wholly owned subsidiary of ONGC Videsh, has been retained for acquisition of future E&P projects in Nigeria.

9.4 Imperial Energy Limited (IEC)

IEL, a wholly-owned subsidiary of ONGC Videsh incorporated in Cyprus, has its main activities in the Tomsk region of Western Siberia, Russia. During FY'16, Imperial Energy's oil and oil equivalent gas production was about 0.335 MMToe.

9.5 Carabobo One AB

Carabobo One AB, a wholly owned subsidiary of ONGC Videsh incorporated in Sweden, indirectly holds 11 per cent PI in Carabobo-1 Project, Venezuela. During FY'16, Carabobo's oil and oil equivalent gas production was about 0.119 MMToe.

9.6 ONGC BTC Limited

ONGC (BTC) Limited, a wholly owned subsidiary of ONGC Videsh, holding 2.36 per cent interest in the Baku-Tbilisi-Ceyhan Pipeline ("BTC") owns and operates 1,768 km oil pipeline running through Azerbaijan, Georgia and Turkey. The pipeline mainly carries crude from the ACG fields from Azerbaijan to the Mediterranean Sea.

9.7 Beas Rovuma Energy Mozambique Limited

Beas Rovuma Energy Mozambique Limited (BREML) was incorporated in British Virgin Islands (BVI) and holds 10% PI in Rovuma Area 1, Mozambique. BREML is subsidiary of your Company holding shares with OIL in the ratio of 6:4.

9.8 ONGC Videsh Atlantic Inc.

ONGC Videsh Atlantic Inc. a wholly owned subsidiary of ONGC Videsh, was incorporated in Texas, United States of America, to provide required technical and administrative support in US. OVAI provide the required support for coordinating with Anadarko (Operator of Rovuma Area-1 Offshore Mozambique). A G&G centre of excellence has also been established by OVAI in Houston with required infrastructure and manpower to provide specialized G&G service to the Company.

9.9 ONGC Videsh Rovuma Limited

ONGC Videsh Rovuma Limited a wholly owned subsidiary of ONGC Videsh, was incorporated in Mauritius for structuring of 10% PI in ONGC Videsh's Rovuma Area 1, Mozambique.

9.10 ONGC Videsh Singapore Pte Ltd

ONGC Videsh Singapore Pte Ltd., a wholly owned subsidiary of ONGC Videsh was incorporated on 15th April 2016 in Singapore for structuring of acquisition of 15% shareholding interest in CJSC Vankorneft in Russia.

10. JOINT VENTURE COMPANY

10.1 ONGC Mittal Energy Limited (OMEL)

ONGC Videsh along with Mittal Investments Sarl (MIS) promoted OMEL, a joint venture company incorporated in Cyprus. ONGC Videsh and MIS together hold 98 per cent equity shares of OMEL in the ratio of 49.98 per cent (ONGC Videsh) and 48.02 per cent (MIS) with the balance 2 per cent shares held by SBI Capital Markets Ltd. OMEL also holds 1.20 per cent of the issued share capital of ONGBV by way of Class-C shares issued by ONGBV exclusively for AFPC Syrian Assets; such investment being financed by Class-C Preference Shares issued by OMEL in the ratio of 51:49 to ONGC Videsh and MIS respectively.

10.2 SUDD Petroleum Operating Company (SPOC)

Your Company holds 24.125% PI in Block 5A in South Sudan which was acquired from OMV Aktiengesellschaft of Austria on 12th May, 2004. Block 5A is located in the prolific Muglad basin and spread over an area of about 20,917 sq. km. Other partners in the Block are Petronas (67.875% PI) of Malaysia and Nilepet of South Sudan (8% PI).

Block 5A is jointly operated by all partners through a Joint Operating Company-SUDD Petroleum Operating Company (SPOC).

However, due to internal conflict and the deteriorating security situation in South Sudan, the Production activities have again been suspended since 21st December, 2013. The fields continue to be under shutdown and not accessible. As per reports the field facilities are badly damaged and may take 6-8 months' time for restoration after getting the clearance from security department of SPOC.

11. OVERSEAS OFFICES AND REGISTERED OFFICES

The overseas offices of your Company are located in Ho Chi Minh City (Vietnam), Yuzhno Sakhalinsk (Russia), Baghdad (Iraq), Tehran (Iran), Tripoli (Libya), Caracas (Venezuela), Astana & Atyrau (Kazakhstan), Bogota (Colombia), Damascus (Syria), Calgary (Canada), Baku (Azerbaijan), Dhaka (Bangladesh), Yangon (Myanmar) and Wellington (New Zealand).

ONGC Nile Ganga BV has its registered office in Amsterdam (the Netherlands), offices in Khartoum (Sudan), Juba (South Sudan) and its subsidiaries have offices in Rio de Janeiro (Brazil) and Nicosia (Cyprus).

ONGC Narmada Limited, ONGC Amazon Alaknanda Limited and ONGC Videsh Atlantic Inc. have their registered offices in Lagos (Nigeria), Hamilton (Bermuda) and Houston (Texas, USA) respectively.

Imperial Energy Limited has its registered office in Cyprus and its subsidiaries have offices in Cyprus, Moscow and Tomsk (Russia).

Carabobo One AB has its registered office in Sweden.

ONGC BTC Limited has its registered office in Cayman Island.

ONGC Videsh Singapore Pte Ltd. and its subsidiary ONGC Videsh Vankorneft Pte Ltd. have its registered office in Singapore.

Your Company has established a branch in Mozambique to oversee investments in Area-1 Mozambique. The branch license for opening office in Mozambique was issued on 31st March, 2016.

12. INFORMATION TECHNOLOGY

Your Company keeps itself abreast of the latest advancements in the field of information technology so as to adopt the extent required in its pursuit of achieving operational excellence.

During the current year, your Company has implemented Document Management System (DMS) with the following objectives:

1) Effectively manage the large volumes of existing and anticipated future contents.

2) Restrict content access/sharing to only authorized personnel through role based controls.

3) Adoption of electronic document movement.

13. HUMAN RESOURCE DEVELOPMENT

a. Your Company has been operating with pool of highly skilled manpower provided by the Parent Company ONGC, in the core areas of E&P globally. Your Company calibrates its manpower levels and quality with its expanding requirements and challenges in various parts of the world. The total manpower of your Company as on 31st March, 2016 was 264 executives posted in Headquarters Delhi. In addition, global manpower of your Company employed by overseas projects abroad was 1,959 (including 75 executives of ONGC Videsh posted abroad) as on 31st March 2016 (calculated based on proportionate PI of your Company in overseas projects).

b. **Disclosure under the sexual harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013:**

The following is a summary of sexual harassment complaint received disposed of during the year 2015-16:

Sl. No.	Year	No. of complaints received	No. of complaints disposed off
1.	2015-16	Nil	Nil

14. IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

Your Company continues to make concerted efforts to spread and promote Official Language. During the year, Hindi Fortnight was organised from 14th to 28th September, 2015. In the Hindi fortnight, large number of employees participated in Hindi competitions and successful ones were awarded. Your Company's In-house magazine "Aadharshila", Hindi fortnight awardees compilation, Corporate Brochure and Annual Reports were also printed in Hindi. Official Language Implementation Committee meetings are held regularly. Statutory advertisements were also released in Hindi. Quarterly Hindi Progress Reports of the Company are sent and Hindi workshops are organised. Your Company was represented by its senior officials in the Town Official Language Implementation Committee Meetings and officials also participated in Rajbhasha Sammelan and workshops.

15. BOARD OF DIRECTORS

15.1 Details of changes in Directors since 1st April 2015

- Mr. Shyam Saran, Prof. Sanjay G. Dhande and Prof. Shyamal Roy completed their tenure on 4th June 2015.
- Mr. Sudhir Sharma joined your Company as Director (Exploration) on 1st August, 2015 in place of Dr. Anil Bhandari who ceased on 31st July, 2015 upon superannuation from the services of ONGC Videsh.
- Mr. Sunjay Sudhir has been appointed as Government Nominee Director by the Ministry of Petroleum & Natural Gas on 7th January, 2016 in place of Mr. Ashutosh Jindal.

- Mr. Vivekanand joined your Company as Director (Finance) on 1st September, 2016 in place of Mr. S. P. Garg who ceased on 31st August 2016 upon superannuation from the services of ONGC Videsh.

15.2 Your Directors place on record their sincere appreciation for the excellent contributions made by Mr. S. P. Garg, Dr. Anil Bhandari, Mr. Ashutosh Jindal, Mr. Shyam Saran, Prof. Sanjay G. Dhande and Prof. Shyamal Roy, Directors.

15.3 None of the Directors of your Company is disqualified under the provisions of section 164(2) of the Companies Act 2013 read with Rule 14 of The Companies (Appointment and Qualification of Directors) Rules 2014.

16. AUDITORS

M/s Prem Gupta & Co., Chartered Accountants and M/s B C Jain & Co., Chartered Accountants were appointed as Joint Statutory Auditors of your Company by the Comptroller & Auditor General (C&AG) of India for the financial year 2015-16.

17. SECRETARIAL AUDITOR

The Board has appointed M/s Meenu Gupta & Associates, Company Secretary in practice to conduct Secretarial Audit for the financial year 2015-16. Secretarial Audit report for the financial year ended 31st March, 2016 is annexed to this report.

Your Secretarial Auditors have made the following observations in its Report:

I. Non-compliance with respect to composition of Board and Board Committee(s); and

II. Delay in signing of minutes of meetings of Board of Directors of the Company held on 19th May 2015, 25th May 2015 and 16th June 2015.

Explanation on observations made by Secretarial Auditors is as under:

I. Your Company was in compliance with composition of Board and Board committees till 4th of June, 2015. Subsequently the term of appointment of Independent Directors matured on 4th June, 2015. Being a Government Company appointment of Independent Directors are to be made by the Government of India. Ministry of Petroleum & Natural Gas has been requested to appoint requisite number of Independent Directors to comply with the provisions of Companies Act, 2013.

II. The management of your Company on 9th July, 2015 had given assurance that appropriate steps will be taken for avoiding delays in signing of minutes. Minutes thereafter were signed within prescribed time in the reported period.

18. DETAILS OF MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRING BETWEEN THE DATE OF FINANCIAL STATEMENTS AND BOARD REPORT

There are no material changes and commitments affecting the financial position of the Company occurring between the date of financial statements and Board Reports.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your Company is engaged in the business of Exploration & Production of crude oil and natural gas, which is covered under the exemption provided under Section 186(11) of the Company Act, 2013. Accordingly, the details of loans given, investment made or guarantee or security given by your Company to its subsidiaries and associates are not required to be reported.

20. PARTICULARS OF RELATED PARTY TRANSACTIONS

Disclosure in respect of Related Party Transactions as per Section 188 of the Companies Act, 2013 forms part of the financial statements, and is given under note - 52 of the Standalone Financial Statement and note - 54 of the Consolidated Financial Statements.

21. IMPLEMENTATION OF VIGIL MECHANISM

ONGC Videsh Ltd. has provided ample opportunities to encourage the employees to become whistle blowers (employees who voluntarily and confidentially want to bring the unethical practices, actual or suspected fraudulent transactions in the organization to the notice of the competent authority for the greater interest of the organization and the Nation). It has also ensured a robust mechanism within the same framework to protect them (whistle blowers) from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

The Company has a Vigilance Department which is headed by an officer on deputation from the Government of India in the rank of Joint Secretary or above.

22. STATUTORY DISCLOSURES

22.1 Meetings of the Board

Ten meetings of the Board of Directors were held during the year. For further details, please refer report on corporate governance.

22.2 Extract of Annual Return:

Extract of Annual Return of company is annexed herewith as Annexure – A to this Report.

22.3 Particulars of Employees and related disclosures

ONGC Videsh being a Government Company has been exempted from Section 197 of the Companies Act, 2013. Hence, particulars of employees and related disclosures are not required to be reported.

22.4 Disclosure of a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement:

Disclosure of a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the standalone financial statement in the form AOC-1 form part of the Financial Statements.

22.5 Conservation of energy, Technology absorption and Foreign exchange earnings and Outgo for the year 2015-16:

Information required under Section 134(3)(m) of Companies Act 2013, read with Rule 8(3) of the Companies (Accounts) Rules 2014, regarding Conservation of energy, Technology Absorption and Foreign Exchange earnings and outgo during the Financial year 2015-16 is given below:

(A) Conservation of energy: Your Company does not have operations in India and as such the clause in not relevant/ applicable.

(i) Steps taken or impact on conservation of energy: Not Applicable;

(ii) Steps taken by the Company for utilizing alternate sources of energy: Not Applicable;

(iii) Capital investment on energy conservation equipment: NIL.

(B) Foreign exchange earnings and outgo:

a. Foreign Exchange earning in terms of actual inflows (on accrual basis) during the year: ₹76,817.12 Million.

b. Foreign Exchange expenditure during the year: ₹68,521.46 Million.

23. CORPORATE GOVERNANCE REPORT

Your Company strives to attain highest standards of corporate governance. A separate section on Corporate Governance is annexed and forms part of the Board's Report.

24. BUILDING A HEALTHY COMMUNITY

Your Company has always encouraged inculcating a culture of healthy and active lifestyle to its employees and spreading the same in the society at large. In this endeavor, your Company organized various programs during the financial year 2015-16 such as World Environment day on 5th June 2015, World Yoga day held on 21st June 2015 and Swachchta Divas on 2nd October 2015. All these programs were well attended by employees/ families across its locations including in overseas offices/ locations.

World Environment Day 2015 was organized on the theme 'Seven Billion Dreams, One Planet, Consume with Care' by emphatically reiterating its commitment to environmental sustainability and sustainable development.

25. AWARDS AND RECOGNITIONS

During the financial year 2015-16, following awards and recognitions were conferred upon your Company:

1. **Prime Minister's Merit Certificate by the Government of Vietnam:** your Company's Block 6.1 Vietnam was conferred with the certificate for company's contribution to the development of hydrocarbon industry in Vietnam.

2. **PSU of the Year awarded by CNBC TV 18:** your Company and its team were awarded for its significant contribution to the understanding and practice of risk management.

3. **Best Miniratna at Dun & Bradstreet PSU Excellence Awards 2015:** your Company was awarded with best Miniratna Award for its stellar management and leadership.

4. **Best Medium Capacity Terminal Award awarded by International Congress:** your Company was awarded Best Medium Capacity Terminal Award for its De-Kastri Oil Terminal for showing the best economic, environmental and social performance. This is the third time the Terminal received such high recognition from the International Congress.

26. ENTERPRISE RISKS MANAGEMENT AND HEALTH, SAFETY AND ENVIRONMENT

26.1 Enterprise Risks Management Policy

Your Company had rolled out Enterprise Risk Management (ERM) System in 2012, which was further aligned with ISO 31000:2009, which is a globally recognized Standard on Risk Management.

Your Company has established Risk Cell under Chairmanship of the Director (Finance). Risks have been mapped along with their causes and mitigating factors, which are monitored on periodic basis. The risk reporting structure is in place. Twenty five executives were imparted training on ERM during the year.

26.2 Health, Safety and Environment (HSE)

Your Company strives to ensure safe operations that protect people, environment, communities and material assets. The QHSE management system is anchored in the integrated QHSE & Risk Management policy of the Company.

ONGC Videsh is certified for ISO 9001:2008 (Quality), ISO 14001:2004 (Environment) and OHSAS 18001:2007 (Occupational Health & Safety).

Sustainability report of FY'15 was based on GRI G3.1 guidelines and is A+ report. Sustainability report of FY'16 is under preparation based on GRI G4 guidelines.

27 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company, having overseas operations, understands its responsibility to contribute to the communities and economies of the countries in which it operates. Your Company has been achieving a fine balance of economic, environmental and social imperatives based on the factors implemented into the policy structure and decisions of CSR Committee. Your Company makes valuable contribution in many ways such as payment of tax revenues to governments; by investing in education and training and improving employment opportunities for nationals; providing medical/sports/ agricultural facilities to the local community, etc.

In terms of requirements of the Companies Act, 2013, your Company constituted a Corporate Social Responsibility and Sustainability Committee and the Chairman of the Committee was an Independent Director till 4th June 2015.

As your Company has all its operations situated outside India, the eligible "Net Profit" for the purpose of CSR was Nil for FY'16 and expected to be the same in future years also.

However, ONGC Videsh has been undertaking community development projects in and around its project locations (i.e. outside India) as per local requirements/ guidelines/ practices prevailing in the countries of operations.

28 COMPLIANCE OF MINISTRY OF MICRO SMALL AND MEDIUM ENTERPRISES (MSME) REGULATION

1. During FY 2015-16, ONGC Videsh has complied with the annual procurement target of 20% from MSEs.

2. ONGC Videsh Indian Office awarded 29.62% of the total annual procurement to MSEs, out of which 1.44% procurement was made from MSEs owned by SC/ST Entrepreneurs.

29 DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act 2013, your Director(s) confirm the following in respect of the audited Annual Accounts for the Financial year ended 31st March 2016:

i. That in the preparation of annual accounts, the applicable accounting standards have been followed and that there are no material departures;

ii. That Directors have selected such accounting policies as described in the Notes to the Accounts of the Financial statements and applied them consistently as stated in the annual accounts and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2016, and of the loss of the Company for the year ended on that date;

iii. That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

iv. That Directors have prepared the annual accounts on a "going concern" basis;

v. That Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

vi. That Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

30 COMMITTEE(S)

The details of Committees are given separately in the Corporate Governance Report.

31 AUDIT COMMITTEE

In compliance with Section 177(8) of the Companies Act, 2013, the details regarding Audit Committee is provided under the Corporate Governance Report, which forms part of the Annual Reports. There have been three instances during FY'16, where the recommendations of Audit Committee were modified by the Board of Directors. All the three instances were pertaining to agenda on "compliance of CVC guidelines on scrutiny, vetting and reporting of contracts awarded on nomination basis", which were submitted to the Audit Committee and the Board on quarterly basis. The Board in each instance approved selected cases of Audit Committee and besides that additional cases were also selected. Further, considering in-house capability of Parent Company, the Board observed to get these selected cases examined by Internal Audit, ONGC instead of KPMG, Internal Auditor of ONGC Videsh.

32 ACKNOWLEDGEMENT

Your Directors acknowledge with deep appreciation the valuable guidance and support extended by the Government of India, especially the Ministry of Petroleum & Natural Gas, Ministry of Finance, Ministry of External Affairs, Department of Public Enterprises, Indian Embassies/ High Commissions abroad and the Reserve Bank of India etc. your Directors acknowledge the constructive suggestions received from Auditor(s) and the Comptroller & Auditor General of India and are grateful for their continued support and cooperation. Your Directors also wish to place on record their deep sense of appreciation for the dedicated services by the employees of the Company. Your Directors recognize that the achievements of your Company would not have been possible without the unstinted and total support from the Parent company, Oil and Natural Gas Corporation Limited.

On behalf of the Board of Directors

Sd/-
(D.K. Sarraf)
Chairman

Place: New Delhi
Date: 1st September, 2016

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	U74899DL1965GOI004343
ii	Registration Date	5th March, 1965
iii	Name of the Company	ONGC Videsh Limited
iv	Category/Sub-category of the Company	Government Company
v	"Address of the Registered office & contact details"	6th Floor, "Kailash", 26 Kasturba Gandhi Marg, New Delhi- 110001
vi	Whether listed company (Only Debt listed)	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any (for debentureholders).	Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur,Hyderabad - 500081

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products/services	"NIC Code of the Product /service"	"% to total turnover of the company"
1	Crude oil	27090000	
2	Natural Gas	27112100	

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	"HOLDING/ SUBSIDIARY/ ASSOCIATE"	"% OF SHARES HELD"	"APPLICABLE SECTION"
	HOLDING COMPANY				
1	Oil and Natural Gas Corporation Limited Jeevan Bharati, Tower - II, 8th floor, Connaught circus, New Delhi- 110001	L74899DL1993GOI054155	Holding	100% shares of ONGC Videsh Limited	2(46)
	DIRECT SUBSIDIARIES OF ONGC VIDESH LIMITED				
2	ONGC Nile Ganga B.V. (ONGBV), Netherland	N.A.	Subsidiary	ONGC Videsh holds 100% each of class A and class B Share Capital and 55 % of class C Share Capital	2(87)
3	Imperial Energy Limited (IEL), Cyprus	N.A.	Subsidiary	100% (89.48% held by ONGC Videsh Limited and 10.52% held through its subsidiary ONGBV)	2(87)
4	ONGC Amazon Alaknanda Limited, Bermuda	N.A.	Subsidiary	100%	2(87)
5	ONGC Narmada Limited, Nigeria	N.A.	Subsidiary	100%	2(87)
6	Carabobo One AB, Sweden	N.A.	Subsidiary	100%	2(87)
7	ONGC (BTC) Limited, Cayman Islands	N.A.	Subsidiary	100%	2(87)
8	ONGC Videsh Atlantic Inc., US	N.A.	Subsidiary	100%	2(87)
9	ONGC Videsh Rovuma Limited, Mauritus	N.A.	Subsidiary	100%	2(87)
10	Beas Rovuma Energy Mozambique Limited, British Virgin Ireland (BVI)	N.A.	Subsidiary	60%	2(87)
	INDIRECT SUBSIDIARIES OF ONGC VIDESH LIMITED (SUBSIDIARIES OF ONGBV)				
11	ONGC Campos Ltda, Brazil	N.A.	Subsidiary	100%	2(87)
12	ONGC Nile Ganga (San Cristobal) B.V., Netherlands	N.A.	Subsidiary	100%	2(87)
13	ONGC Caspian E&P B.V, Netherland	N.A.	Subsidiary	100%	2(87)
14	ONGC Nile Ganga (Cyprus) Ltd., Cyprus	N.A.	Subsidiary	100%	2(87)
	INDIRECT SUBSIDIARIES OF ONGC VIDESH LIMITED (SUBSIDIARIES OF IEL & CARABOBO ONE AB)				
15	Biancus Holdings Limited, Cyprus	N.A.	Subsidiary	100%	2(87)
16	Imperial Energy Tomsk Limited, Cyprus	N.A.	Subsidiary	100%	2(87)
17	Imperial Frac Services (Cyprus) Limited, Cyprus	N.A.	Subsidiary	100%	2(87)
18	Imperial Energy (Cyprus) Limited, Cyprus	N.A.	Subsidiary	100% (99.99% held through its subsidiary IEL & 0.01% held through Imperial Energy Nord Limited)	2(87)
19	LLC Allianceneftegaz, Russian Federation	N.A.	Subsidiary	100% (held through its subsidiary Imperial Energy (Cyprus) Limited)	2(87)
20	LLC Sibinterneft, Russian Federation	N.A.	Subsidiary	55.9% (held through its subsidiary Imperial Energy Tomsk Limited)	2(87)
21	LLC Rus Imperial Group, Russian Federation	N.A.	Subsidiary	100% (held through its subsidiary Redcliffe Holdings Limited)	2(87)
22	LLC Nord Imperial, Russian Federation	N.A.	Subsidiary	100% (held through its subsidiary Imperial Energy Nord Limited)	2(87)
23	Imperial Energy Nord Limited, Cyprus	N.A.	Subsidiary	100% (99.99% held through its subsidiary IEL & 0.01% through its subsidiary Imperial Energy (Cyprus) Limited	2(87)
24	Redcliffe Holdings Limited, Cyprus	N.A.	Subsidiary	100% (99.9% through its subsidiary Imperial Energy Limited and 0.01% through its subsidiary Imperial Energy Nord Limited)	2(87)
25	San Agio Investments Limited, Cyprus	N.A.	Subsidiary	100% (held through its subsidiary Redcliffe Holdings Limited)	2(87)
26	Petro Carabobo Ganga B.V., Netherlands	N.A.	Subsidiary	100% (100% ordinary shares ownership through Carabobo One AB & 100% Preference shares ownership through ONGBV)	2(87)
	ASSOCIATE COMPANIES OF ONGC VIDESH LIMITED				
27	ONGC Mittal Energy Limited, Cyprus	N.A.	Associate	ONGC Videsh holds 49.98%	2(6)
28	SUDD Petroleum Operating Company, South Sudan	N.A.	Associate	24.125%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	0	7	7	0%	0	7	7	0%	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
b) Central Govt. or State Govt.	0	0	0	0%	0	0	0	0%	0.00	
c) Bodies Corporates	0	999,999,993	999,999,993	100%	0	999,999,993	999,999,993	100%	0.00	0.00
d) Bank/FI	0	0	0	0%	0	0	0	0%	0.00	0.00
e) Any other	0	0	0	0%	0	0	0	0%	0.00	0.00
SUB TOTAL:(A) (1)		1,000,000,000	1,000,000,000	100%	0	1,000,000,000	1,000,000,000	100%	0.00	0.00
(2) Foreign										
a) NRI-Individuals	0	0	0	0%	0	0	0	0%	0.00	0.00
b) Other Individuals	0	0	0	0%	0	0	0	0%	0.00	0.00
c) Bodies Corp.	0	0	0	0%	0	0	0	0%	0.00	0.00
d) Banks/FI	0	0	0	0%	0	0	0	0%	0.00	0.00
e) Any other...	0	0	0	0%	0	0	0	0%	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0%	0	0	0	0%	0.00	0.00
"Total Shareholding of Promoter (A)= (A)(1)+(A)(2)"	0	1,000,000,000	1,000,000,000	100%	0	1,000,000,000	1,000,000,000	100%	0.00	0.00
B. PUBLIC SHAREHOLDING										
(1) Institutions	0	0	0	0%	0	0	0	0%	0.00	0.00
a) Mutual Funds	0	0	0	0%	0	0	0	0%	0.00	0.00
b) Banks/FI	0	0	0	0%	0	0	0	0%	0.00	0.00
c) Cenntral govt	0	0	0	0%	0	0	0	0%	0.00	0.00
d) State Govt.	0	0	0	0%	0	0	0	0%	0.00	0.00
e) Venture Capital Fund	0	0	0	0%	0	0	0	0%	0.00	0.00
f) Insurance Companies	0	0	0	0%	0	0	0	0%	0.00	0.00
g) FIIS	0	0	0	0%	0	0	0	0%	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0%	0	0	0	0%	0.00	0.00
i) Others (specify)	0	0	0	0%	0	0	0	0%	0.00	0.00
SUB TOTAL (B)(1):	0	0	0	0%	0	0	0	0%	0.00	0.00
(2) Non Institutions										
a) Bodies corporates										
i) Indian	0	0	0	0%	0	0	0	0%	0.00	0.00
ii) Overseas	0	0	0	0%	0	0	0	0%	0.00	0.00
b) Individuals	0	0	0	0%	0	0	0	0%	0.00	0.00
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0%	0	0	0	0%	0.00	0.00
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0%	0	0	0	0%	0.00	0.00
c) Others (specify)	0	0	0	0%	0	0	0	0%	0.00	0.00
SUB TOTAL (B)(2):	0	0	0	0%	0	0	0	0%	0.00	0.00
"Total Public Shareholding (B)= (B)(1)+(B)(2)"	0	0	0	0%	0	0	0	0%	0.00	0.00
"C. Shares held by Custodian for GDRs & ADRs"	0	0	0	0%	0	0	0	0%	0.00	0.00
Grand Total (A+B+C)	0	1,000,000,000	1,000,000,000	100%	0	1,000,000,000	1,000,000,000	100%	0.00	0.00

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beggining of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Oil and Natural Gas Corporation Limited	999,999,993	100%	0%	999,999,993	100%	0%	0%
2	Shri D. K. Sarraf*	1	0%	0%	1	0%	0%	0%
3	Shri S. P. Garg*	1	0%	0%	1	0%	0%	0%
4	Shri K. S. Jamestin*	1	0%	0%	0	0%	0%	0%
5	Shri A. K. Banerjee*	1	0%	0%	0	0%	0%	0%
6	Shri Shashi Shanker*	1	0%	0%	1	0%	0%	0%
7	Shri Narendra K. Verma*	1	0%	0%	1	0%	0%	0%
8	Shri T. K. Sengupta*	1	0%	0%	1	0%	0%	0%
9	Shri D. D. Misra*	0	0%	0%	1	0%	0%	0%
10	Shri A. K. Srinivasan*	0	0%	0%	1	0%	0%	0%
	Total	1,000,000,000	100%	0%	1,000,000,000	100%	0%	0%

*Holding share of ONGC Videsh as nominee of Oil and Natural Gas Corporation Limited.

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE): No Change during the financial year.

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs) : Not Applicable

(v) Shareholding of Directors & KMP

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
Shri Dinesh Kumar Sarraf*				
(A) At the beginning of the year	1	0	1	0
(B) Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0	0	0
(C) At the end of the year	1	0	1	0
Shri Satpal Garg*				
(A) At the beginning of the year	1	0	1	0
(B) Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0	0	0
(C) At the end of the year	1	0	1	0
Shri Narendra K. Verma*				
(A) At the beginning of the year	1	0	1	0
(B) Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0	0	0
(C) At the end of the year	1	0	1	0

*Holding share of ONGC Videsh as nominee of Oil and Natural Gas Corporation Limited.

V INDEBTEDNESS

(₹ in million)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Indebtness at the beginning of the financial year	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
i) Principal Amount		360,621.78		360,621.78
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		2,399.53		2,399.53
Total (i+ii+iii)		363,021.31		363,021.31
Change in Indebtedness during the financial year				
Additions		18,940.68		18,940.68
Reduction		8,557.08		8,557.08
Net Change		10,383.60		10,383.60
Indebtedness at the end of the financial year				
i) Principal Amount		371,020.70		371,020.70
ii) Interest due but not paid				
iii) Interest accrued but not due		2,384.21		2,384.21
Total (i+ii+iii)		**373,404.91**		**373,404.91**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Director and/or Manager:

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
	Gross salary	Shri Narendra K. Verma	Shri Satpal Garg	Shri. P. K. Rao	Mr. Sudhir Sharma	Dr. Anil Bhandari (Ex Director Exploration)	
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2.67	1.91	3.06	2.76	0.75	11.15
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2.12	0.13	2.39	1.37	0.44	6.45
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.56	0.60	0.56	0.30	0.14	2.16
2.	Stock option	-	-	-	-	-	
3.	Sweat Equity						
4.	Commission as % of profit others, specify	-	-	-	-	-	
5.	Others, please specify (Performance incentives)	1.39	1.27	0.17	-	-	2.83
	Total (A)	**6.74**	**3.91**	**6.18**	**4.43**	**1.33**	**22.58**
Ceiling as per the Act		N/A					

B. Remuneration to other directors: Sitting fee of Independent Directors

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
	Independent Directors	**Prof. Sanjay G. Dhande**	**Shri Shyam Saran**	**Prof. Shyamal Roy**	
1.	(a) Fee for attending board committee meetings	0.16	0.14	0.14	**0.44**
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)				**0.44**
2.	Other Non Executive Directors	-	-	-	-
	(a) Fee for attending Board / Committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.16	0.14	0.14	**0.44**
	Total Managerial Remuneration				**23.02**
	Overall Cieling as per the Act.	N/A			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTDs

(₹ in million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
	Gross Salary	**Company Secretary**
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1.72
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.12
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.28
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission as % of profit others, specify	-
5.	Others, please specify	-
	Total	**2.12**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeall made if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Drill site at Imperial Energy, Russia

Azerbaijan

Night view of Chirag Platform, Azerbaijan

Management Discussion and Analysis Report

Management Discussion and Analysis Report

1. INTRODUCTION

ONGC Videsh Limited (ONGC Videsh) is a wholly owned subsidiary of Oil and Natural Gas Corporation Limited (ONGC), the flagship National Oil Company and a Central Public Sector Enterprise/ Undertaking (CPSE/ CPSU) of the Government of India, under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG). ONGC Videsh is engaged in prospecting for and acquisition of oil and gas acreages outside India for exploration, development and production of oil and gas. ONGC Videsh was incorporated as Hydrocarbons India Private Limited, on 5th March 1965 with registered office in New Delhi to perform international exploration and production business. The Company was rechristened as ONGC Videsh Limited on 15th June 1989. With widening of the energy demand/ supply gap from domestic production, participation in overseas oil and gas assets for equity oil was considered as an option towards augmenting energy security of the country.

In January, 2000, ONGC Videsh was granted special empowerment by the Government of India that facilitated better and smooth functioning of the Company in the international environment as evidenced by a string of successful acquisitions post January, 2000. Your Company has participation either directly or through wholly owned subsidiaries/ joint venture companies in 37 oil and gas projects in 17 Countries, Viz. Vietnam (2 projects), Russia (3 projects), Sudan (2 projects), South Sudan (2 projects), Iran (1 project), Iraq (1 project), Libya (1 project), Myanmar (4 projects), Syria (2 projects), Brazil (2 projects), Colombia (8 projects), Venezuela (2 projects), Kazakhstan (1 project), Azerbaijan (2 projects), Mozambique (1 Project), Bangladesh (2 Projects) and New Zealand (1 Project). Out of 37 projects, ONGC Videsh is Operator in 14 projects; Joint Operator in 6 project and remaining 17 are non-operated projects. Your Company adopts a balanced portfolio approach and has a combination of 14 producing, 4 discovered, 17 exploration projects and 2 pipeline projects. Your Company has entered in Asia Pacific region through 'New Zealand bidding round 2014' for one exploratory prospect located in the Taranaki offshore basin, New Zealand and the exploration permit PEP 57090 was awarded on 9th December 2014 by the Government of New Zealand. The Company is actively pursuing acquisition of more oil and gas properties across the globe.

World Environment Day at ONGC Videsh office, New Delhi

Your Company completed the acquisition of 15% equity from Rosneft Oil Company on 31st May, 2016, in JSC Vankorneft, a company organized under the laws of Russian Federation which is the owner of Vankor Field and North Vankor license. Rosneft, the national oil company of Russia continues to hold the remaining 85% shares of JSC Vankorneft.

2. INDUSTRY SCENARIO

Petroleum industry is going through one of its most transformative and critical phases. The outlook for the industry is significantly different today compared with what it looked just a couple of years ago. While on one hand new forms of resources such as shale oil and re-entry of production from countries suffering from Arab Spring increased the supply of oil in the market at the same time global economic weakness (in particular, slower growth in China and continuing financial woes in Europe), tougher fuel economy regulations, more viable forms of alternative energy and the development of efficient engines on equipments as varied as cars, earthmovers, and power plants have all combined to curtail the demand for oil.

U.S. Energy Information Administration estimates that in 2015 the increase in the global supply of petroleum and other liquid fuels was about 44% more than the increase in consumption. OPEC decided to maintain its level of oil production at a time when many believed the members of OPEC would cut production to offset rising production levels. United States took another policy decision in 2015 affecting global oil outlook by lifting a 40-year ban on the export of U.S. crude oil.

In this scenario of rampant supply and lack of corresponding demand, amid concerns over slowing economic growth around the world, especially in China, Oil prices have remained volatile at low level and reached bottom of about USD 26/ bbl in January 2016, a level that has not been seen since September 2003. Major producers appear to be more concerned about retaining their market share in this low demand scenario, which is restricting their desire to co-operate on reducing the supply.

United States' domestic production has nearly doubled over the last few years, pushing out oil that used to be imported earlier. This lesser imported oil needs to find another home, which is adding to ongoing war among oil producers to retain market shares. Saudi, Nigerian and Algerian oil that once was sold in the United States is suddenly competing for Asian markets, and the producers are forced to drop prices. Canadian, Russian and Iraqi oil production and exports are rising year after year.

Governments across the major oil producing countries are also struggling from the adverse impact on their fiscal performance. Public spending plans premised on US$100/bbl oil price expectations have had to be slashed, with significant economic and political fallout. Oil revenues have shrunk, and it is hard for governments mainly reliant on oil revenue to manage with a smaller slice of what's left. Companies continue to make efforts for seeking more lenient fiscal terms from host governments, but success has been slow and limited. Governments now face stiff competition when launching exploration licensing rounds. Many of the governments are deferring their license rounds considering the current bleak industry scenario.

Gas prices also suffered significantly during the period. Price at Henry Hub has dropped from about USD 4.9/ mmbtu in March 2014 to about USD 1.73/ MMbtu in March 2016 and USD 2.79 on 22nd June, 2016. Several LNG projects were envisaged in oil price scenario of USD 100/bbl. These projects are facing severe challenges, with some investors delaying their FIDs, while others are recalibrating their project plans in face of lower prices to preserve liquidity.

Although, recently the prices have shown some uptrend but still volatility in the market dominates and prices are lower than a decade old level. Concerns over enhanced supply from entry of Iran after waving off sanctions and rising competition for retaining the market share are fueling the uncertainties about the future price scenario.

Looking forward, on price front outlook is that worse is over and the things will move in positive direction. Already there are signs of decline in production from US shale plays and analysists at IHS suggest third quarter seasonal demand strength will push world liquids demand above supply for the first time since 2013. Continued output declines of "price-sensitive barrels" especially tight oil are critical to recovery of the market. It may however be stated that with numerous factors determining the medium to long term price outlook, the situation is still not clear to take a definitive call of future trajectory of oil prices.

Petroleum prices have a history of cycles and we have seen such steep declines after every decade from 1988. But this time the downtrend is a bit longer. Fragile global economy appears to be an underlying cause behind it. Global economy is yet to come out of the shock of 2008 and stability in petroleum prices depends on stability in global economic sphere. We have seen in the past that low petroleum prices have always fueled the growth during economic downturns which in turn lead to revival of prices again.

Vast areas of the world are still hungry for growth and sooner or later economies have to be stream lined and growth has to revive. The company looks at this downturn as an opportunity to grow its footprint and to firm up its commitment towards goals set for future.

a) International Industry Environment

Different companies are responding to the current crisis as per their strength. Industry majors are considering their portfolio restructuring to make their operations leaner and focused, including increasing their footprint across entire energy spectrum by also making significant strides towards adding renewables to their portfolio. Smaller companies are facing survival threats. In 2015, volatile and weak oil prices caused a lack of consensus between buyers and sellers, resulting in a sharp downturn in global upstream deal activity. According to IHS, Total deal count in 2015 fell to a 15-year low, declining nearly 50% from 2014. Asset deal count plunged to a 10-year low, while corporate deal count was the lowest in 20 years. Total transaction value fell by 22% to just under $145 billion and was the lowest since 2003 when excluding Shell's agreement to take over BG. The Shell-BG deal accounted for 80% of total corporate deal value and 60% of total worldwide deal value. NOC's were expected to be major acquisition players in this low price scenario but NOC acquisition spending have also been at record lows, mostly due to significant pull-back by Chinese-NOCs.

Price uncertainties are restricting the investment decisions and many large scale projects are being deferred due to weak balance sheets and reduced risk appetite of the industry. According to IHS, global exploration and production (E&P) capital expenditure (capex), including offshore pipelines, fell 31% between 2014 and 2015, from $725 billion to $500 billion in nominal terms. As per IHS, oil majors are expected to further cut capital expenditures by 30 percent in 2016. As per bottom-up analysis of oil and gas projects, capex is projected to decline another 15% to $424 billion in 2016. Onshore North America has been, by far, the largest contributor to the steep decline, but all regions have been affected by the downturn. IHS expects that cost reductions have accounted for about 20% of the global spend decline in 2015 (more in North America); in 2016 global costs are expected to decline no more than another 5%.

Both international and national oil companies are negotiating aggressively for 10 to 30 percent discounts from oil-field service providers. This has contributed to some extent towards reduction in capital and operating expenditure as a means towards preserving viability of the projects. But cost reduction through contract negotiation is a slow and challenging process, and may have a limited long term impact.

Head counts are affected as well. More than 200,000 employees have been or will be let go in the Oil and Gas industry, according to recent company announcements.

Exploration activities have been most affected by the expenditure cut. Producers are responding to low prices by pulling back on new exploration in favor of maximizing profits. Exploration successes have been very limited and reserve replacement rate (1P) for the Global IOC group stumbled again in 2015, while replacement costs continued to rise. As per projections of Wood Mackenzie, the industry will invest about US$ 41 billion in exploration and appraisal work in 2016. This would be less than half of the investment on exploration and appraisal during 2014.

3. STRENGTH AND WEAKNESS

Your Company is the first Indian International E&P Company to produce Equity Oil and Gas outside India. Your Company now has presence in 17 countries with oil and gas production from 14 projects in 10 countries.

Your company has developed relations with most of the National Oil Companies (NOCs) and International Oil Companies (IOCs) and is considered to be a partner of choice by many of them. A fair degree of risk mitigation has already been achieved by partnering with some of the leading IOCs like Exxon, Shell, BP Chevron, TNK, Rosneft, TOTAL, ENI, Repsol, SOCAR, Petrobras, PDVSA, PetroVietnam, CNPC, Sinopec, Ecopetrol, Petronas, KazMunaiGas, MOGE etc. Your Company has also developed working relationship contacts with reputed bankers, advisors, service providers ONGC Videsh has, thus, established itself as a credible player in the international E&P market, which is evident from the fact that it has been able to register its presence in many of the oil producing provinces. Your Company has adopted an aggressive acquisition strategy and aims to sustain the exploration efforts through allocation of its internal resources for attractive projects. Your Company has established a G&G Centre of Excellence in Houston, and aims to make it a hub of G&G activities providing technical support to your company's global operations.

However, being a Public Sector Undertaking, there are some limitations for the Company, in terms of decision making process. The Company is pursuing with MoP&NG for enhancement of empowerment of its Board as the present empowerment is insufficient even for carrying out the Minimum Work Program in exploratory assets.

4. OPPORTUNITIES AND THREATS

ONGC Videsh has been participating in opportunities for acquisition through various routes like bidding rounds, direct negotiations, advised acquisitions etc. In the last few years, many countries like Vietnam, Brazil, Iraq, Afghanistan, Australia, Indonesia, Bangladesh, Myanmar, Colombia and New Zealand have offered acreages through bidding rounds. Your company is evaluating acquisition of additional 11% equity in Vankorneft in Russia. The Vankor field is producing around 440,000 bpd of crude oil at peak your company's share of daily oil production at about 66,000 bpd.

The performance of the Company hinges on oil prices on the revenue side and factors cost of raw material, equipment, services etc. on the input side. Sustained downturn in oil prices as witnessed in the last year, and high volatility in oil price and scarcity or high input costs of factor inputs is bound to affect the performance of the Company.

5. OUTLOOK

Your Company has registered presence in various oil provinces of the world and continues to look for attractive assets. It has earned a reputation for itself and therefore multiple opportunities keep coming for its consideration. ONGC Videsh has a production target of 20 MMtoe of oil and gas from its overseas assets by FY'18 and 60 MMtoe by FY'30.

The growth needs to be achieved by new acquisitions to yield additional 50 MMtoe by FY'30 and to build positions of scale in 3-5 focus plays. As the production targets are quite steep involving a CAGR of more than 49% from FY'15 to FY'18 and more than 9% from FY'18 to FY'30, your Company needs to concentrate on acquiring assets in development and production phase initially and then also concentrate on high potential exploration acreages and venture capitalist type of exploration opportunities.

Striving towards the targets your Company has made significant progress by acquiring 15% equity in Vankorneft in Russia on 31st May 2016. This project will add about 3.3 MMtoe of annual production of your Company. Further, on 16th March 2016 your Company has signed a Memorandum of Understanding with Rosneft for additional acquisition of 11% shares in the Vankorneft.

The growth will involve substantial fund requirement to the extent of USD 20 - 30 billion and your Company needs to use full headroom of balance sheet of ONGC and ONGC Videsh to finance these acquisitions coupled with equity and project financing. This will also involve acquiring, retention and training of manpower with specific skill sets, revamping of internal processes and taking a relook at the way business development is to be done in future.

Key priorities for going forward include the following:

5.1) New Ventures

Your Company in last few years aspires to maintain a balanced portfolio approach by maintaining a combination of:

(a) Producing, discovered and exploration assets;

(b) Conventional and non-conventional assets;

(c) Risky and politically stable countries; and

(d) Oil and gas Asset

While acquiring producing properties, enhanced emphasis is also being given to add to the company's reserves through exploratory efforts to contribute to production in future. Your Company intends to maintain this trend and the focus.

5.2) Exploration

Your Company has set up a state-of-the-art data center at its headquarters and a center of excellence at Houston and has constituted knowledge teams to scan and identify value in the existing exploration assets, with discovery and in new opportunities so as to enhance the reserve base of the Company.

5.3) International Alliances For Business Growth during the year

1) **MoU with Rosneft:** Your Company and Rosneft signed a Memorandum of Understanding on 24th December, 2015 for cooperation for geological survey, exploration and production of hydrocarbons onshore and on the continental shelf of the Russian Federation. Particularly the companies will analyze possibility of expanding their partnership aimed at the development of prospective Rosneft projects in East Siberia.

2) **MoU with Ministry of Mines,** Industry of Energy, Equatorial Guinea was executed on 20th January 2016, to explore potential investment opportunities within the Hydrocarbons sector in Equatorial Guinea including but not limited to the acquisition in participating interest in certain fields/ blocks.

3) **MoU with Rosneft:** Your Company and Rosneft signed a Memorandum of Understanding (MOU) on 16th March, 2016 for potential acquisition of 11% shares in the Vankorneft in addition to the 15% shares. The MoU also provides for the parties to explore the possibility

MD Mr NK Verma with Vankor Team at Vankor Well Pad

to conclude long term crude oil and feedstock supply agreement(s) where under Rosneft (or its affiliates) would supply crude oil to the refineries of ONGC Videsh (or its affiliates) located in the Republic of India.

The Company shall continue to engage more and more in such alliances through agreements and Joint Ventures.

5.4) Geographic spread

Your Company has presence in 17 countries and it has been able to enhance participation in more than one project in 11 countries. Your Company shall endeavor to consolidate its position in the regions/ countries where it is already present while making attempt to enter attractive acreages in other hydrocarbon rich countries/ regions.

6. RISKS AND CONCERNS

Your Company participates and operates in varied environments, both politically and geographically, where exploration, production and development is more challenging technologically, operationally and financially. In the projects and countries where your Company has large investments, the risks of expropriation, change in fiscal regime, additional taxes and increase in Government share or restrictions on exports of oil could materially affect the performance. However, due to importance of oil and gas industry to the local economies, host Governments in their own interest would not like to de-stabilize the oil companies. Most of the international investments in the past had been in the form of joint ventures where your Company was not the operator. In the course of such investments, your Company was dependent to an extent on the operating partner, including for the success of the joint venture. Your Company may sometimes disagree with actions proposed to be taken by the operating partner. However, this is the format in which international E&P industry works to take care of sharing of exploration risks. Of late, your Company is tending to take more proactive role by taking operatorship in several projects.

Some of the projects are in countries where there are unresolved conflicts, unrests and larger issues of governance and territorial/ ethnic divisions; some also face terrorism and reactionary protests on continued basis. Your Company's operations in some of the countries like Syria, South Sudan and Sudan have been affected due to some of these factors and in future also it may face the threat due to these factors. Further, the oil and gas business involves high exploration and technology risks and there are inherent HSE risks in the oil & gas business, particularly in offshore.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal audit and internal control systems to ensure that all transactions adhere to procedure and meet statutory requirements. The Company has already implemented SAP R/3 ERP system for integration of various business processes. The internal control system consists of regular operative performance evaluation and devising corrective measures thereof and comprehensive internal and external audit including audit by the Comptroller and Auditor General of India (C&AG). During the year 2015-16, internal audit was carried out by KPMG in a phased manner, which had independently evaluated adequacy of internal control system. The audit observations are periodically reviewed by the Audit Committee and necessary directions are issued, wherever required.

During the year, your Company has engaged KPMG to develop framework for Internal Control over Financial Reporting (ICFR) and testing of operating effectiveness. The scope included documenting Risk Control Matrices & testing of Entity Level controls, IT General controls and controls for corporate processes. No material weakness in ICFR was found.

8. PHYSICAL PERFORMANCE

a) Reserves

ONGC Videsh's share of total reserves (3P) of oil and oil equivalent gas as on 1st April, 2016 was 632.652 MMTOE and the Reserves-to-Production (R/P) Ratio considering proved reserves was 22.88.

b) Production

The Crude Oil Production (including condensate) was 5.510 MMT during 2015-16 as compared to 5.533 MMT during 2014-15. Production of natural gas was 3.406 BCM during 2015-16 as compared to 3.341 BCM during 2014-15. Thus, total oil and gas production during FY 2015-16 was 8.916 MMToe which is 103.7 % of MOU target and 0.5 % higher than last year's production. The details of production during the last eleven years are given below:

PARTICULARS	Crude Oil (MMT)*	Gas (BCM)	Total(O+OEG) (MMTOE)
FY'16	5.510	3.406	**8.916**
FY'15	5.533	3.341	**8.874**
FY'14	5.486	2.871	**8.357**
FY'13	4.343	2.917	**7.260**
FY'12	6.214	2.539	**8.753**
FY'11	6.756	2.692	**9.448**
FY'10	6.513	2.357	**8.870**
FY'09	6.556	2.220	**8.776**
FY'08	6.840	1.962	**8.802**
FY'07	5.804	2.148	**7.952**
FY'06	4.584	1.755	**6.339**

* including Condensate

9. FINANCIAL PERFORMANCE

(₹ in million)

	Particulars	Audited for the Year ended		% Variance
		31st March 2016	31st March 2015	
A	INCOME			
i	Revenue from Operation	123,854.31	188,816.98	(-34)
ii	Interest Income	1,572.15	492.73	219
iii	Other Income	2,293.41	2,179.15	5
	TOTAL REVENUE (A)	**127,719.87**	**191,488.86**	**(-33)**
B	EXPENSES			
i	Production, Transportation, Selling and Distribution Expenditure	55,802.22	72,177.33	(-23)
ii	Change In Inventories of Finished Goods	(264.26)	1,023.74	(-126)
iii	Other Expenses	(8,249.08)	(2,969.67)	178
iv	Decrease/ (Increase) Due To overlift/ underlift Quantity	(494.48)	(552.96)	(-11)
v	Provisions and Write-Offs	4,815.41	12,296.55	(-61%
	TOTAL EXPENSES (B)	**51,609.81**	**81,974.99**	**(-37)**
C	**EARNING BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION (EBDITA) (A-B)**	**76,110.06**	**109,513.87**	**(-31)**
i	Financing Cost	12,485.51	24,768.21	(-50)
ii	Depreciation, Depletion and Amortisation	52,023.01	55,292.63	(-6)
D	**PROFIT BEFORE PRIOR PERIOD, EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX**	**11,601.54**	**29,453.03**	**(-61)**
i	Adjustments relating to Prior Period (Net)	(7,116.66)	(1,213.45)	486
E	**PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX**	**18,718.20**	**30,666.48**	**(-39)**
i	Exceptional and Extraordinary Items	30,471.74	-	
F	TOTAL EXPENSES			
i	Current Year	12,381.64	18,179.38	(-32)
ii	Deferred Tax	(3,467.55)	(5,406.14)	(-36)
iii	Earlier Years Tax	383.86	36.85	942
	TOTAL TAX EXPENSES (F)	**9,297.95**	**12,810.09**	**(-27)**
G	**LESS: SHARE OF PROFIT OR (LOSS)- MINORITY INTEREST**	**(115.99)**	**(1,185.82)**	**(-90)**
H	**GROUP PROFIT/ (Loss) AFTER TAX (E-F-G)**	**(20,935.50)**	**19,042.21**	**(-210)**

The position of major items in the consolidated balance sheet as at 31st March, 2016 and 31st march 2015 is given below:

(₹ in million)

	Particulars	Audited for the Year ended		% Variance
		31st March 2016	31st March 2015	
A	EQUITY AND LIABILITIES			
1	SHAREHOLDER'S FUNDS			
I	Share Capital	100,000.00	100,000.00	-
ii	Reserves and Surplus	299,815.87	333,268.95	(-10)
iii	Minority Interest	8,205.75	7,819.81	5
	TOTAL SHAREHOLDER'S FUNDS	**408,021.62**	**441,088.76**	**(-7)**
2	NON-CURRENT LIABILITIES			
i	Long-term borrowings	374,608.76	364,859.62	3
ii	Deferred tax liabilities	17,786.71	15,104.48	18
iii	Liability for abandonment	77,396.65	71,060.26	9
iv	Other long term liabilities	9,388.16	87.52	10627
V	Long term provisions	1,573.22	1,918.73	(-18)
	TOTAL NON-CURRENT LIABILITIES	**480,753.50**	**453,030.61**	**6**
3	CURRENT LIABILITIES			
i	Short-term borrowings	5,135.54	3,355.09	53
ii	Liability for abandonment	2.71	5.67	(-52)
iii	Trade payables	76,399.36	66,207.58	15
iv	Other current liabilities	20,996.92	22,269.97	(-6)
v	Short-term provisions	1,735.18	67.58	2468
	TOTAL CURRENT LIABILITIES	**104,269.71**	**91,905.89**	**13**
	TOTAL EQUITY AND LIABILITIES	**993,044.84**	**986,025.26**	**1**
B	ASSETS			
1	NON-CURRENT ASSETS			
i	Fixed Assets			
	Tangible asset			
a	Oil & Gas assets	358,844.19	242,939.04	48
b	Other tangible assets	24,812.32	129,248.75	(-81)
	Capital work in progress			
c	Development wells in progress	11,184.49	21,144.40	(-47)
d	Others	49,292.86	39,084.33	26
	Intangible asset			
e	Exploratory wells in progress	35,116.24	31,937.56	10
f	Other intangible assets (Software)	342.79	126.71	
g	Other intangible assets (Acquisition Cost)	149,464.54	148,571.39	1
ii	Goodwill	167,377.57	192,344.05	(-13)
iii	Non-current Investment	12,156.88	10,980.19	11
iv	Deferred tax Assets	11,857.61	11,733.88	1
V	Long term Loans and Advances	13,006.01	11,605.11	12
Vi	Other non-current Assets	81,065.33	52,965.54	53
	TOTAL NON-CURRENT ASSETS	**914,520.83**	**892,680.95**	**2**
2	CURRENT ASSETS			
i	Inventories	10,951.80	8,904.98	23
ii	Trade receivables	23,815.60	29,260.95	(-19)
iii	Cash & Bank balances	13,505.14	23,829.44	(-43)
iv	Short term loans & advances	5,849.95	4,916.78	19
v	Other current assets	24,401.52	26,432.16	(-8)
	TOTAL CURRENT ASSETS	**78,524.01**	**93,344.31**	**(-16)**
	TOTAL ASSETS	**993,044.84**	**986,025.26**	**1**

10. HUMAN RESOURCE/ INDUSTRIAL RELATIONS

The Company follows the HR policies of its parent company ONGC and also provides necessary training and conducts development programmes to imbibe the necessary skills required to operate in the international environment. Further, the Company deputes its personnel along with other international experts, in joint venture projects with major oil and gas companies, which enables them to upgrade their skills in terms of new technologies, working in international environment etc. The Company has been operating mainly with manpower provided by the parent company. Your Company calibrates its manpower levels and quality with its expanding requirements and challenges in various parts of the world. The total manpower of your Company as on 31st March, 2016 was 264 executives posted in Headquarters Delhi. In addition, global manpower of your Company employed by overseas projects abroad was 1,959 (including 75 executives of ONGC Videsh posted abroad) as on 31st March 2016 (calculated based on proportionate PI of your Company in overseas projects). Your Company achieved its targets in smooth industrial relations environment and no man-day was lost on account of any Industrial Relations issue.

11. ENVIRONMENT

Your Company is committed to comply with all applicable environmental legal requirements, wherever we operate, in line with its policy. It is committed to prevention of pollution, injury & ill health.

From the FY'13, ONGC Videsh has started bringing out its Sustainability Report, which shows its commitment to its stakeholders to conduct business in an economically, socially, environmentally sustainable manner that is transparent and ethical.

The Sustainability Report of FY'15 was based on GRI G3.1 guidelines and is A+ report.

12. CORPORATE SOCIAL RESPONSIBILITY

Your Company, having overseas operations, understands its responsibility to contribute to the communities and economies of the countries in which it operates. Your Company has been achieving a fine balance of economic, environmental and social imperatives based on the factors implemented into the policy structure and decisions of CSR Committee. Your company makes valuable contribution in many ways such as payment of tax revenues to governments; by investing in education and training and improving employment opportunities for nationals ; providing medical/sports/ agricultural facilities to the local community, etc.

As your Company has all its operations situated outside India, the eligible "Net Profit" for the purpose of CSR was Nil for FY'16 and expected to be the same in future years also.

However, ONGC Videsh has been undertaking community development projects in and around its project locations (i.e. outside India) as per local requirements/ guidelines/ practices prevailing in the countries of operations.

13. RIGHT TO INFORMATION ACT, 2005 (RTI ACT)

With the objective to ensure access by any citizen to information under the control of the Company and in order to bring in

Community development initiative at EL Yarico Primary a school in Colombia

transparency and accountability, an appropriate mechanism has been set up at registered office of the company in New Delhi in line with the requirements of RTI Act. The status of RTI requests during the year 2015-16 are as follows:

Details Received during the Year (including cases transferred by other Public Authority)

Details	Received during the Year (including cases transferred by other Public Authority)	No. of cases transferred to other Public Authority
Application(s)	22	5
First Appeal(s)	2	Nil

14. CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis may be 'forward looking' within the meaning of the applicable Laws and Regulations. Actual performance may deviate from the explicit or implicit expectations.


Kazakhstan

Macolla field in Venezuela

Corporate Governance Report

Corporate Governance Report

ONGC Videsh Limited continues to make efforts towards achieving highest standards of corporate governance and responsible management practices and is all about maintaining a valuable relationship and trust with all stakeholders. The details of compliance of Guidelines on Corporate Governance by the Company are provided in the following sections.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's vision is to be a world-class exploration and production company providing security oil to the nation. Its philosophy on Corporate Governance is to conduct business in an efficient, transparent, ethical and responsible manner. The Company believes that good corporate governance goes beyond legal compliances and therefore embedded in the system all across.

2. BOARD OF DIRECTORS

2.1 Composition of the Board:

The Company is managed by the Board of Directors, which formulates strategies & policies and reviews its performance periodically. As per Articles of Association (AOA) of the Company, the number of Directors shall not be less than three and not more than fifteen. As per AOA, Oil and Natural Gas Corporation Limited (ONGC), the parent company, appoints the Chairman and all part time Directors and the President of India appoints all whole-time Directors, including Managing Director on the Board of the Company. Presently, the Board of your Company comprises four Whole time directors and three non-executive Directors (one Non-Executive Chairman and two part-time official nominee Directors). Ministry of Petroleum & Natural Gas has been requested to appoint requisite number of independent Directors to comply with the provisions of Companies Act, 2013 and the DPE Guidelines on Corporate Governance, 2010.

The Chairman & Managing Director of ONGC is also the Chairman of the Company. The Managing Director who is the Chief Executive Officer of the Company and three whole-time Directors i.e. Director (Finance), Director (Operations) and Director (Exploration) manage the business of the Company under the overall supervision, control and guidance of the Board. In addition, Joint Secretary (International Cooperation), Ministry of Petroleum and Natural Gas (MoP&NG), Government of India and Joint Secretary, Department of Economic Affairs, Ministry of Finance (MoF) are part-time Directors on the Board of the Company.

To get benefits of broader domain expertise, all whole time directors on the Board of ONGC are Special Invitees to the Board meetings.

Present composition of the Board of Directors of the Company is as follows:

Non-Executive Chairman:	
Mr. D. K. Sarraf	Chairman
Whole-time Directors:	
Mr. Narendra K. Verma	Managing Director
Mr. P. K. Rao	Director (Operations)
Mr. Sudhir Sharma	Director (Exploration) (w.e.f. 1st August, 2015)
Mr. Vivekanand	Director (Finance) (w.e.f. 1st September, 2016)
Mr. S. P. Garg	Director (Finance) (upto 31st August, 2016)
Dr. Anil Bhandari	Director (Exploration) (upto 31st July, 2015)
Part-time Official Nominee Directors:	
Mr. Sunjay Sudhir Joint Secretary (IC)	Director (w.e.f. 7th January 2016)
Ms. Sharmila Chavaly, Joint Secretary, DEA, MoF	Director
Mr. Ashutosh Jindal, Ex-Joint Secretary (IC&GP), MoP&NG	Director (upto 7thJanuary 2016)
Part-time Non-Official Directors:	
Mr. Shyam Saran	Independent Director (upto 4th June, 2015)
Prof. Sanjay G. Dhande	Independent Director (upto 4th June, 2015)
Prof. Shyamal Roy	Independent Director (upto 4th June, 2015)
Special Invitee:	
Mr. Shashi Shanker	Special Invitee (w.e.f. 20th July, 2015)
Mr. T. K. Sengupta	Special Invitee
Mr. D. D. Misra	Special Invitee
Mr. A. K. Dwivedi	Special Invitee
Mr. V. P. Mahawar	Special Invitee (w.e.f. 1st August, 2015)
Mr. A. K. Srinivasan	Special Invitee (w.e.f. 23rd September, 2015)
Mr. Ashok Varma	Special Invitee (upto 31st July, 2015)
Mr. A. K. Banerjee	Special Invitee (upto 30th April, 2015)

2.2 Recording of minutes of proceedings at the Board Committee Meeting:

The Company Secretary records minutes of the proceedings of each Board/ Committee meeting(s). Draft minutes are circulated to all the members of Board/Committee(s) and approved by the Chairman of the Board/ Committee(s). These minutes are confirmed/ noted in the next meeting of the Board/ Committee(s). The approved Minutes of the proceedings of the meetings are entered in the Minutes Book.

2.3 Follow-up mechanism:

The guidelines for the Board/ Committee meetings facilitate an effective post-meeting follow-up, review and reporting process for the action taken on decisions of the Board and Committee. The Action Taken Report (ATR) on the decisions/ instructions/ directions of the Board and Audit Committees is submitted to the Board and Audit Committee regularly.

2.4 Compliance:

Section 134(5)(f) of the Companies Act, 2013 inter-alia provides for devising proper systems to ensure compliance with the provisions of all applicable laws. ONGC Videsh has compliance reporting system in place based on applicable legal compliances of various applicable Acts/ Laws/ Rules/ Regulations/ Secretarial Standards/ Guidelines as applicable in India. Reporting was initially started on yearly basis and gradually improved to half-yearly and thereafter on quarterly basis.

Further to strengthen the compliances reporting system, the Company voluntarily provides compliance status of its overseas offices, projects held by the Company and compliance status of overseas subsidiaries and projects held thereunder.

2.5 Training and Evaluation of Board members:

a) Training of Board Members:

The Department of Public Enterprise (DPE) has issued Guidelines on Corporate Governance which requires that the Company shall undertake training programs for its Board members viz Functional, Government Nominee and Independent Directors in the business model of the company including risk profile of the business of the company, responsibility of respective Directors and the manner in which such responsibilities are to be discharged. They shall also be imparted training on Corporate Governance, model code of business ethics and conduct applicable for the respective Directors. In compliance to the DPE Guidelines, ONGC Videsh has adopted a Policy on training of Directors, which provides for three tier training policy for Directors:

- Induction Training;
- External Training; and
- Board Presentation.

The non-executive Board members are eminent personalities having wide experience in the field of administration, international relations, education, industry and commerce. Their presence on the Board has been advantageous and fruitful in taking business decisions.

As and when a Director joins the Board of ONGC Videsh, the incorporation documents, code of conduct applicable for Board members and Annual Report of the Company are provided to apprise about the business and operations of ONGC Videsh. Further, a detailed presentation covering history of ONGC Videsh, its global footprints, physical and financial performance etc. is made for acquainting the new Director with the operations of ONGC Videsh.

b) Policy on Performance Evaluation of Directors

ONGC Videsh being a Government Company, the provisions of section 134(3)(e) and (p), 149(6)(a) and (c), and 178(2),(3) and (4) of the Companies Act, 2013 with regard to appointment, Performance Evaluation etc. have been exempted by the Government of India, Ministry of Corporate Affairs vide Gazette notification dated 5th June 2015.

MOU signing between ONGC Videsh and ONGC for 2016-17

2.6 Board Meetings:

ONGC Videsh has launched a secured web portal for distribution and easy access of Board and Committee meetings materials. The portal is secured and can only be accessed through User ID protected by Password. The Portal is an additional facilitation to members/ invitees to disseminate materials relating to Board/ Committee meetings. It facilitates easy access to materials at all locations.

Ten Board Meetings were held during the financial year 2015-16 on the following dates:

19th May, 2015	25th May, 2015	16th June, 2015	30th June, 2015	10th July, 2015
1st September, 2015	16th September, 2015	9th November, 2015	10th December, 2015	2nd March, 2016

The minimum and maximum interval between any two Board meetings was 5 days (19th May, 2015 – 25th May, 2015) and 82 days (10th December, 2015- 2nd March 2016) respectively.

2.7 Board Attendance:

The details of attendance, directorship held in other companies etc. during the financial year 2015-16 were as under:

Name of Directors	No. of board Meetings held during the Tenure	No. of Board Meetings attended	Attendance at the last AGM	Details of Directorships held in other Companies*	Memberships held in Committees, including ONGC Videsh**
Mr. D. K. Sarraf, Chairman	10	10	Yes	7	3
Mr. Narendra K. Verma, Managing Director	10	10	Yes	-	1
Mr. S. P. Garg, Director (Finance)	10	10	Yes	-	1
Mr. P. K. Rao, Director (Operations)	10	10	Yes	-	2
Mr. Sudhir Sharma Director (Exploration) (w.e.f. 1st August 2015)	05	05	Yes	-	2
Mr. Sunjay Sudhir, Director w.e.f. 7th January 2016	01	01	-	1	4
Ms. Sharmila Chavaly, Director	10	05	No	2	-
Dr. Anil Bhandari, Director (Exploration) (upto 1st August 2015)	05	05	-	-	1
Mr. Ashutosh Jindal, Director (upto 7th January 2016)	9	5	Yes	1	2
Mr. Shyam Saran Independent Director (upto 4th June 2015)	02	02	-	1	2
Prof. Sanjay G. Dhande Independent Director (upto 4th June 2015)	02	02	-	-	1
Prof. Shyamal Roy Independent Director (upto 4th June 2015)	02	02	-	-	1

* Does not include Directorships of Companies incorporated outside India, Section 8 Companies and Private Limited Companies (not being holding/ subsidiary of Public Company).

** Chairmanship/ Membership of the Audit Committee and Remuneration Committee of Public Limited Companies (including ONGC Videsh).

Notes:

(i) The Company being a PSU, all Directors are appointed/ nominated by the Government of India;

(ii) Directors are not related to each other;

(iii) Directors do not have any pecuniary relationships or transactions with the Company;

(iv) The Directorships/ Committee memberships are based on the latest disclosure received from Directors;

(v) None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the companies in which he is a Director.

2.8 Resume of Directors proposed to be appointed/ re-appointed:

The brief resume of Directors including nature of their experience in specific functional areas and names of companies in which they hold directorship and membership/ chairmanship of Board/ Committee, who have been appointed after the date of the last report, is as below:

2.8.1 Directors to be appointed:

Name	Mr. Sunjay Sudhir	Mr. Vivekanand
Date of Birth & Age	09.09.1965, 50 years	02.10.1961, 54 years
Date of Appointment	07.01.2016	01.09.2016
Qualification	Mr. Sunjay Sudhir holds degree of Bachelor of Technology from the Indian Institute of Technology, New Delhi (1984-88). He pursued a course in Diplomatic Practice from Oxford University (2001-02) and Certificate Courses, conducted by WTO, in - TRIPS Agreement and Public Health; WTO Law and Jurisprudence; and WTO Dispute Settlement (during 2007-2010).	Mr. Vivekanand holds post-graduate degree in Commerce from Delhi University, Master of Business Administration in Finance, Cost & Management Accountant and Post Graduate Diploma in Treasury & Forex Management.
No. of Shares held	Nil	Nil
Experience in specific Functional Areas	Mr. Sunjay Sudhir is Joint Secretary (International Cooperation) in the Ministry of Petroleum and Natural Gas. He joined the Indian Foreign Service in 1993. Before this appointment he was Consul General of India in Sydney. He has also served as Joint Secretary and Head of the Office of External Affairs Minister (2013-14), Counsellor at the Permanent Mission of India to the World Trade Organisation, Geneva [2007-11], Head of the Economic and Commercial Wing at the Indian Embassy, Colombo [2004-07], Second Secretary [Political, Information and Culture] at the Indian Embassy, Damascus [1997-2000] and Third Secretary at the Indian Embassy, Cairo [1995-97]. During his stints in the Ministry of External Affairs in Delhi, he served as Deputy Chief of Protocol [Ceremonial] handling incoming and outgoing VVIP visits during 2002-04. He has also worked in the Europe West Division (2000). In 2012, he had a brief stint as Joint Secretary (international Cooperation) in the Ministry of Petroleum and Natural Gas.	Mr. Vivekanand has experience of over 32 years as Finance and Accounting professional in upstream oil and gas industry, both in national and international operations. He joined ONGC in 1984 as a Graduate Trainee and worked across different spheres of finance and accounting activities. He has handled key finance assignments related to Treasury, Taxation, Risk Management, Business Development, Overseas projects and various other corporate functions such as Budgeting, Accounting, Internal Audit, Marketing etc. Mr. Vivekanand has also worked to strengthen the business processes and systems of the company through a systematic approach. He has played key roles in financing campaigns of ONGC Videsh raising financing of nearly USD 6 billion in last 3 years. Mr. Vivekanand has also participated in various leadership and financial management programs.
Directorship held in other Companies*	Oil India Limited	Nil
Membership/ Chairmanship of Committees, including ONGC Videsh**	4	1

2.8.2 Directors to be reappointed:

Name	Mr. D. K. Sarraf	Mr. P. K. Rao
Date of Birth & Age	September 3, 1957 58 Years	February 13, 1959 57 years
Date of Appointment	March 01, 2014	November 1, 2014
Qualification	- B. Com (H); - M. Com; - FCS; - AICMA.	- M. E. Mechanical specialization in Machine Design (Andhra University) - M.B.A. in Marketing.
No. of Shares held	1 (as nominee of ONGC)	
Experience in specific Functional Areas	Mr. D. K. Sarraf carries a very rich and varied experience of three decades in oil industry. In the past, he held the position of Managing Director, ONGC Videsh and Director (Finance) of ONGC and ONGC videsh.	Mr. P. K. Rao has a vast experience of over three decades in the oil industry. He had joined ONGC in 1982. In the past he held the position of Executive Director (Asset Manager) at Rajahmundry Asset of ONGC.
Directorship held in other Companies*	7	Nil
Membership/ Chairmanship of Committees, including ONGC Videsh Limited**	3	2

* Does not include Directorships of Companies incorporated outside India, Section 8 Companies and Private Limited Companies (not being holding/ subsidiary of Public Company).

** Chairmanship/ Membership of the Audit Committee and Remuneration Committee of Public Limited Companies (including ONGC Videsh).

3. BOARD COMMITTEES

Your Company has constituted the following committees of the Board:

3.1 AUDIT COMMITTEE:

3.1.1 Composition of the Audit Committee:

The composition of the Audit Committee during the financial year 2015-16 was as follows:

- Mr. Sunjay Sudhir; Member and Chairman w.e.f. 7th January, 2016.
- Mr. P. K. Rao; Director (Operation) and Member w.e.f. 16th June, 2015.
- Mr. Sudhir Sharma; Director (Exploration) and Member w.e.f. 1st August, 2015.
- Mr. Ashutosh Jindal; Member and Chairman upto 7th January, 2016.
- Mr. Anil Bhandari; Director (Exploration) and Member on 31st July, 2015.

All members of the Audit Committee have requisite financial and management experience. All Whole time directors, Head of Corporate Accounts and Auditors are the Permanent Invitees to Committee's meetings. Representatives of Statutory Auditors are invited to attend and participate in meetings. Executives of Finance and other departments are invited on need basis.

Company Secretary acts as the Secretary to the Committee.

3.1.2 Role of the Audit Committee:

The role of the Audit Committee includes the following:

i) Oversee of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

ii) Recommending for appointment, remuneration and terms of appointment of auditors of the Company.

iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors except prohibited services under the Companies Act, 2013.

iv) Reviewing Management Discussion and Analysis of financial condition and results of operations.

v) Examining and reviewing, with the management, the annual financial statements and auditor's report thereon, before submission to the Board for approval, with particular reference to:

a) Matters required to be included in the Directors' Responsibility Statement and in the Director's Report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013;

b) Changes, if any, in accounting policies and practices and reasons for the same.

c) Major accounting entries involving estimates based on the exercise of judgment by management;

d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements relating to financial statements;

f) Disclosure of any related party transactions and;

g) Qualifications in the draft audit report, if any.

vi) Reviewing, with the management, the quarterly/ half yearly financial statements as may be required before submission to the Board for approval.

vii) Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

viii) To call for the comments including observations of the auditors about internal control systems, the scope of audit and review of the financial statements before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

ix) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

x) Discussion with internal auditors and/ or auditors any significant findings and follow up there on.

xi) Reviewing & discuss internal control weaknesses with the internal auditors.

xii) Reviewing of management letters/letters of internal control weaknesses issued by the statutory auditors.

xiii) Reviewing the findings of any internal investigations by the internal auditors/ auditors/ agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

xiv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

xv) To review and monitor the auditor's independence, performance and effectiveness of audit process.

xvi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

xvii) To scrutinize inter-corporate loans and investments.

xviii) To review & monitor with the management, the end use of funds raised through public offers and related matters.

xix) To review and oversee the Whistle Blower Mechanism.

xx) To review the follow up action on the audit observations of the C&AG audit.

xxi) Review/ check the contracts on nomination basis as per CVC guidelines.

xxii) To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of Parliament.

xxiii) Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.

xxiv) Review and approve all related party transactions and any subsequent modifications of transactions with related parties as reported by the management in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.

xxv) Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.

xxvi) Consider and review the following with the independent auditor and the management:

- The adequacy of internal controls including computerized information system controls and security, and
- Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.

xxvii) To evaluate internal financial control and risk management systems/framework.

xxviii) Consider and review the following with the management, internal auditor and the independent auditor :

- Significant findings during the year, including the status of previous audit recommendations.
- Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

xxix) To consider the valuation of undertakings or assets of the company, wherever it is necessary.

3.1.3 Minutes of the Audit Committee:

Minutes of the meetings of the Audit Committee are approved by the Chairman of the Audit Committee, noted in the next Audit Committee meeting (upon finalization) and are also noted by the Board of Directors in the subsequent meeting.

3.1.4 Meetings:

Eight meetings of the Audit Committee were held during the financial year 2015-16 on the following dates:

27th April, 2015	**18th May, 2015**	**25th May,2015**	**30th June, 2015**
31th Aug, 2015	**5th Nov, 2015**	**9th Nov, 2015**	**1st March, 2016**

3.1.5 Attendance:

Members	Meetings held during the tenure	Meetings attended
Mr. Sunjay Sudhir; Director and Member w.e.f. 7th January 2016	1	1
Mr. P. K. Rao; Director (Operations) and Member w.e.f. 16th June 2015	5	5
Mr. Sudhir Sharma; Director (Exploration) and Member w.e.f. 1st August 2015	4	4
Mr. Ashutosh Jindal; Member and also Chairman upto 7th January 2016	4	3
Dr. Anil Bhandari; Director (Exploration) and Member upto 31st July, 2015	1	1
Prof. Shyamal Roy; Member and also Chairman upto 4th June 2015	3	3
Prof. Sanjay G. Dhande; Member upto 4th June 2015	3	3
Mr. Shyam Saran; Member upto 4th June 2015	3	2

4. PROJECT APPRAISAL & HSE COMMITTEE

4.1 Composition of the Project Appraisal & HSE Committee (PAC):

The composition of the Project Appraisal & HSE Committee during the financial year 2015-16 was as follows:

- Mr. Sunjay Sudhir; Member and Chairman w.e.f. 7th January,2016;
- Mr. Narendra K. Verma; Managing Director & Member ;
- Mr. S. P. Garg; Director (Finance) & Member;
- Mr. P. K. Rao; Director (Operations) & Member;
- Mr. Sudhir Sharma; Director (Exploration) & Member w.e.f. 1st August 2015;
- Mr. Ashutosh Jindal; Member and Chairman upto 7th January 2016;
- Dr. Anil Bhandari; Director (Exploration) & Member, upto 31st July, 2015;
- Prof. Sanjay G. Dhande; Independent Director & Chairman upto 4th June 2015;
- Mr. Shyam Saran; Member upto 4th June 2015; and
- Mr. Shyamal Roy; Special Invitee upto 4th June 2015.

Company Secretary acts as the Secretary to the Committee.

4.2 Role of the Project Appraisal & HSE Committee:

The role of the PAC includes the following:

i) Periodical review and finalize all the bid parameters for Business Development Projects;

ii) Review/Appraisal of exploration, discovered and producing projects before being considered by the Board of Directors;

iii) Review and recommend approval for additional investments in existing project(s);

iv) Periodical review of the activities and operating performance of project(s);

v) Periodical review of production performance of projects; and

vi) Review of policy, processes and systems on Safety, Health, Environment and Ecology aspects.

4.3 Minutes of the Project Appraisal & HSE Committee:

Minutes of the meetings of the PAC are approved by the Chairman of the Committee, confirmed in the next meeting of the Committee and are noted by the Board of Directors in the subsequent meeting.

4.4 Meetings:

Ten meetings of the PAC were held during the financial year 2015-16 on the following dates:

27th April, 2015	18th May, 2015	27th June, 2015	30th June, 2015
10th July, 2015	31st Aug, 2015	16th Sept, 2015	05th Nov, 2015
16th Nov, 2015	1st March, 2016		

4.5 Attendance:

Members	Meetings held during the tenure	Meetings attended
Mr. Sunjay Sudhir; Member and Chairman w.e.f. 7th January,2016	1	1
Mr. Narendra K. Verma; Managing Director & Member	10	9
Mr. S. P. Garg; Director (Finance) & Member	10	10
Mr. P. K. Rao; Director (Operations) & Member	10	10
Mr. Sudhir Sharma; Director (Exploration) & Member w.e.f 1st August 2015	5	5
Mr. Ashutosh Jindal; Member and Chairman upto 7th January, 2016	9	6
Dr. Anil Bhandari; Director (Exploration) & Member (upto 1st August 2015)	5	5
Prof. Sanjay G. Dhande; Chairman upto 4th June 2015	2	2
Mr. Shyam Saran; Member (upto 4th June 2015)	2	1

5. FINANCIAL MANAGEMENT COMMITTEE

5.1 Composition of the Financial Management Committee (FMC):

The Composition of FMC during the financial year 2015-16 was as follows:

- Mr. Sunjay Sudhir, Member and Chairman w.e.f. 7th January, 2016;
- Mr. Narendra K. Verma; Managing Director & Member w.e.f. 16th June 2015;
- Mr. S. P. Garg; Director (Finance) & Member;
- Mr. P. K. Rao; Director (Operations) & Member;
- Mr. Sudhir Sharma; Director (Exploration) & Member;
- Mr. Ashutosh Jindal, Member and Chairman upto 7th January 2015;
- Dr. Anil Bhandari; Director (Exploration) & Special Invitee upto 18th May 2015;
- Prof. Shyamal Roy, Chairman upto 4th June 2015;
- Mr. Shyam Saran; Independent Director & Member upto 4th June 2015; and
- Prof. Sanjay G. Dhande, Independent Director & Special Invitee upto 4th June 2015.

Company Secretary acts as the Secretary to the Committee.

5.2 Role of the Financial Management Committee:

The role of the FMC includes consideration of Budget, Delegation of Powers (empowerment), Commercial issues, Forex and Treasury management, Capital Structure, short and long term loans, periodical performance review of subsidiaries.

5.3 Minutes of the Financial Management Committee:

Minutes of the meetings of the FMC are approved by the Chairman of the Committee, confirmed in the next meeting of the Committee and are noted by the Board of Directors in the subsequent meeting.

5.4 Meetings:

Four meetings of the FMC were held during the financial year 2015-16 on the following dates:

18th May 2015	31st August, 2015	05th Nov, 2015
1st March,2016		

5.5 Attendance:

Members	Meetings held during the tenure	Meetings attended
Mr. Sunjay Sudhir; Chairman (w.e.f 7th January 2016)	1	1
Mr. Narendra K. Verma; Managing Director & Member	3	3
Mr. S. P. Garg; Director (Finance) & Member	4	4
Mr. P. K. Rao; Director (Operations) & Member	3	3
Mr. Sudhir Sharma; Director (Exploration) & Member	3	3
Mr. Ashutosh Jindal; Chairman (upto 7th January 2016)	2	2

Members	Meetings held during the tenure	Meetings attended
Prof. Shyamal Roy; Chairman (upto 4th June 2015)	1	1
Mr. Shyam Saran; Member (upto 4th June 2015)	1	1

6. HUMAN RESOURCE MANAGEMENT AND REMUNERATION COMMITTEE

6.1 Composition of the Human Resource Management and Remuneration (HRM&R) Committee:

The composition of HRM&R during the financial year 2015-16 was as follows:

- Mr. Sunjay Sudhir, Director & Member (w.e.f. 7th January 2016);
- Mr. Narendra K Verma; Managing Director;
- Mr. S. P. Garg; Director (Finance) & Member;
- Mr. P. K. Rao; Director (Operations) & Member;
- Mr. Sudhir Sharma; Director (Operations) & Member;
- Ms. Sharmila Chavaly; Director & Member; and
- Mr. Ashutosh Jindal, Chairman; (up to 7th January 2016).

Company Secretary acts as the Secretary to the Committee.

6.2 Role of the Human Resource Management and Remuneration Committee:

The role of the HRM&R Committee includes the following:

6.2.1 Consideration of all issues/areas concerning Human Resource Planning and Management, HR policies and Initiatives and promotions for direct recruitees, if any, at the level of GGM and ED;

6.2.2 To decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed ceilings;

6.2.3 Consideration of various aspects of remuneration payable to Executive and non-Executive Directors and recommendation thereon to the Board of Directors;

6.2.4 Consideration of sitting fees payable to Independent Directors and recommendations thereon to the Board of Directors as per the provisions of the Companies Act, 2013;

6.2.5 As per extant DPE guidelines, the Remuneration Committee should comprise only part-time Directors (Nominee Directors or Independent Directors) and therefore the Board decided that the whole time Directors would not participate in the discussions when the Committee considers agenda item(s) pertaining to Remuneration Committee.

6.3 Minutes of the Human Resource Management and Remuneration Committee:

Minutes of the meetings of the HRM&R Committee are approved by the Chairman of the Committee, confirmed in the next meeting of the Committee and are noted by the Board of Directors in the subsequent meeting.

6.4 Meetings:

One meeting of the HRM&R Committee was held on 16th November, 2015.

6.5 Attendance:

Members	Meetings held during the tenure	Meetings attended
Mr. Ashutosh Jindal, Chairman (upto 7th January 2016)	1	1
Mr. Narendra K. Verma; Managing Director & Member	1	1
Mr. S. P. Garg; Director (Finance) & Member	1	1
Mr. P.K. Rao; Director (Operations) & Member	1	1
Mr. Sudhir Sharma; Director (Exploration) & Member	1	1
Ms. Sharmila Chavaly; Director & Member	1	1

7. CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE

7.1 Composition of the Corporate Social Responsibility & Sustainability (CSR&S) Committee:

ONGC Videsh constituted Corporate Social Responsibility & Sustainability (CSR&S) Committee in 381st meeting of the Board of Directors held on 21st August 2013.

The composition of CSR&S Committee during the financial year 2015-16 was as follows:

- Mr. Sunjay Sudhir; Director & Member; w.e.f 7th January, 2016
- Mr. Narendra K. Verma; Managing Director & Member
- Mr. S. P. Garg; Director (Finance) & Member;
- Mr. P. K. Rao; Director (Operations) & Member w.e.f 1st November, 2014 Company Secretary acts as Secretary to the Committee.

7.2 Role of the Corporate Social Responsibility & Sustainability Committee:

The terms of reference of the Corporate Social Responsibility & Sustainability Committee are to oversee the implementation of the CSR & Sustainability activities.

7.3 Minutes of the Corporate Social Responsibility & Sustainability Committee:

Minutes of the meeting of the CSR&S Committee are approved by the Chairman of the Committee, confirmed in the next meeting of the Committee and are noted by the Board of Directors in the subsequent meeting.

8. OTHER FUNCTIONAL COMMITTEE(S)

Apart from the above, the Board from time to time also constitutes Functional Committees with specific terms of reference as it may deem fit and accordingly meetings of such Committees are held as and when the need for discussing the matter arises. Time schedule for holding the meetings of such Committees is finalised in consultation with the Committee members.

9. EQUITY SHARES HELD BY DIRECTORS (AS ON 31st MARCH, 2016)

Mr. D. K. Sarraf, Mr. Narendra K. Verma and Mr. S. P. Garg hold one share each of the Company as nominee of Oil and Natural Gas Corporation Limited.

10. CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

The Company is committed to conduct its business in accordance with the highest standards of business ethics and comply with applicable laws, rules and regulations. A code of conduct, evolved in line with the parent Company ONGC was adopted by the Board which is applicable to all Members of the Board and Senior Management who have confirmed compliance with the Code of Conduct for the year under review. A copy of the Code is available on the Company's website www.ongcvidesh.com.

A declaration signed by Chairman of the Company is given below:

"I hereby confirm that:

The Company has obtained from the Members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management during the financial year 2015-16."

Sd/-
Date: 01.09.2016 **(Dinesh K. Sarraf)**
Chairman

11.1 SUBSIDIARY MONITORING FRAMEWORK

All subsidiaries of the Company, except one subsidiary in Brazil, are managed by their respective Boards having the duties to manage such companies in the best interest of their stakeholders. Brazilian company is managed through administrators as permitted under the local laws. Being 100% shareholder, the Company nominates its representatives on the Boards of subsidiaries and monitors the performance of its subsidiaries periodically.

ONGC Videsh had twenty five subsidiaries (comprising nine direct subsidiaries and sixteen indirect subsidiaries) as on 31st March 2016. Details of Subsidiaries are as under:

S. No.	Name of the Subsidiary	Date of Incorporation / Acquisition	Country in which Incorporated
Direct Subsidiaries of ONGC Videsh Ltd.			
1.	ONGC Nile Ganga B.V.	12.03.2003 (Date of Incorporation 29.09.1995)	Netherlands
2.	ONGC Narmada Limited	07.12.2005	Nigeria
3.	ONGC Amazon Alaknanda Limited	08.08.2006	Bermuda
4.	Imperial Energy Limited	12.08.2008	Cyprus
5.	Carabobo One AB	05.02.2010	Sweden
6.	ONGC (BTC) Limited	28.03.2013	Cayman Islands
7.	Beas Rovuma Energy Mozambique Limited	07.01.2014	British Virgin Irelands (BVI)
8	ONGC Videsh Atlantic Inc.	14.08.2014	Texas, USA
9.	ONGC Videsh Rovuma Limited	24.03.2015	Mauritius
Indirect Subsidiaries (Subsidiaries of ONGC Nile Ganga B.V.)			
10.	ONGC Campos Ltda.	16.03.2007 (Date of Incorporation-06.09.2000)	Brazil
11.	ONGC Nile Ganga (San Cristobal) B.V.	29.02.2008	Netherlands
12.	ONGC Caspian E&P B.V	07.06.2010	Netherlands
13.	ONGC Nile Ganga (Cyprus) Ltd	26.11.2007	Cyprus
Indirect Subsidiaries (Subsidiaries of Imperial Energy Limited)			
14.	Biancus Holdings Limited	13.01.2009	Cyprus
15.	Imperial Energy Tomsk Limited	13.01.2009	Cyprus
16.	Imperial Energy (Cyprus) Limited	13.01.2009	Cyprus
17.	Imperial Energy Nord Limited	13.01.2009	Cyprus
18.	Imperial Frac Services (Cyprus) Limited	13.01.2009	Cyprus
19.	Redcliffe Holdings Limited	13.01.2009	Cyprus
20.	San Agio Investments Limited	13.01.2009	Cyprus
21.	LLC Sibinterneft	13.01.2009	Russian Federation
22.	LLC Allianceneftegaz	13.01.2009	Russian Federation
23.	LLC Nord Imperial	13.01.2009	Russian Federation
24.	LLC Rus Imperial Group	13.01.2009	Russian Federation
Indirect Subsidiaries (Through Carabobo One AB)			
25.	Petro Carabobo Ganga B.V.	26.02.2010	Netherlands

11.2 COMPANIES WHICH HAVE BECOME/ CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES DURING THE YEAR

a. Companies which have become subsidiaries during the financial year 2015-16: **Nil**

b. Companies which have ceased to be subsidiaries during the financial year 2015-16: **ONGC Satpayev E&P B.V.**

c. No company has become/ ceased to be a joint venture or associate during the financial year 2015-16: **Nil**

12. ANNUAL GENERAL MEETINGS (AGMs)

12.a Location, date and time, where the AGMs were held during the preceding three years:

Year	Location	Date	Time (IST)
2012-13	4th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi – 110 001.	21st Aug, 2013	12:00 Noon
2013-14	4th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi – 110 001.	28th Aug, 2014	02:00 PM
2014-15	4th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi – 110 001.	1st Sep, 2015	02:00 PM

12.b Extra-Ordinary General Meeting (EGM) during the financial year 2015-16.

An EGM was held on 16th March 2016, which inter-alia approved alteration in Object Clause and increase in the Authorised Share Capital of the Company from ₹ 10,000 crore to ₹ 25,000 crore in the Memorandum of Association. Alterations were made in Articles of Association of the Company to reflect increased Authorised Share Capital of the Company.

13. DISCLOSURES

13.1 DIRECTORS' REMUNERATION

ONGC Videsh Limited being a Government Company, appointment and terms and conditions of remuneration of Executive Directors (whole-time functional) are determined by the Government through administrative ministry, the MoP&NG. Non-executive part-time official Director do not draw any remuneration. The part-time non-official Director received sitting fees of ₹ 20,000 for each Board meeting and Board Committee meeting attended during the financial year 2015-16.

Remuneration of Directors for the year ended 31st March, 2016 was as follows:

a. Executive Directors (Whole-time functional)

(₹ in million)

Names	Salary Including DA	Other benefits & perks	Perfor-mance Incentives	Contribution to PF & other Funds	Grand Total
Mr. Narendra K. Verma	2.67	2.12	1.39	0.56	6.74
Mr. S. P. Garg	1.91	0.13	1.27	0.60	3.91
Mr. P. K. Rao	3.06	2.39	0.17	0.56	6.18
Mr. Sudhir Sharma	2.76	1.37	0	.30	4.43
Dr. Anil Bhandari	.75	.44	0	.14	1.33

b. Non-Executive Directors (Part-time non-official)

The details of sitting fees paid to Non-Executive non-official Directors during the year 2015-16 are as follows:

Names	Sitting fees (₹ in Million)
Prof. Sanjay G. Dhande	0.16
Mr. Shyam Saran	0.14
Mr. Shyamal Roy	0.14

13.2 Details of administrative and office expenses as a percentage of total expenses and reasons for increase:

Particulars	2015-16	2014-15	Reasons for variation
Total expenses *	22,547.25	23,704.55	The increase in administrative and office expenses is mainly due to higher number of employees, and annual increment.
Administrative and office expenses	2,190.95	2,186.40	
Administrative and office expenses as a percentage of total expenses	9.72%	9.22%	

*Includes Production, Transportation, Selling & Distribution Expenditure but excludes Provisions & Write Off (Net).

13.3 The Company has not incurred any expenditure during the year 2015-16, which was not for the purpose of the business of the Company or which was personal in nature and incurred for the members of the Board of Directors and Senior Management personnel.

14. COMPLIANCES

The Company has complied with applicable rules and the requirement of regulatory authorities and no penalties or strictures were imposed on the Company on any matter related to any guidelines issued by Government during last three years. No Presidential Directives have been issued during the financial year 2015-16.

15 MEANS OF COMMUNICATION

- **Half-Yearly Results :** Pursuant to listing of the debt securities in the National Stock Exchange of India Ltd., the Company intimated half-yearly financial results/ audited annual financial results during the financial year 2015-16 to the Stock Exchange immediately after being taken on record and approved by the Board. These financial results were published in the leading English and Hindi dailies having wide circulation. The results were also sent to Debenture Trustee M/s IDBI Trusteeship Services Limited and displayed on the website of the Company www.ongcvidesh.com

- **News Release, Presentation etc.:** The official news releases are displayed on the Company's website www.ongcvidesh.com.
- **Website:** The Company's website is **www.ongcvidesh.com.** Annual Report and Audited financial statements are also available on the web-site.
- **Annual Report:** Annual Report containing inter-alia, Audited Standalone and Consolidated Financial Statements, Board's Report, Auditors' Report, and other important information is circulated to the members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report and Corporate Governance Report form part of the Board's Report in the Annual Report.
- **Compliance Officer:** The Company has designated Mr. S. B. Singh, Company Secretary as Compliance Officer for debenture listed in India. The email id secretariat@ongcvidesh.in has been created exclusively for addressing the queries of debenture investors.

16. ANNUAL GENERAL MEETING

Date : 5th September, 2016

Time : 14:30 Hours

Venue : 4th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi – 110 001.

17. SHARE OWNERSHIP PATTERN AS ON 31st MARCH, 2016

Category	No. of shares held of ₹ 100 each	Percentage of shareholding
Oil and Natural Gas Corporation Limited and its nominees	1,000,000,000	100%

18. RISK MANAGEMENT

The Enterprise Wide Risk Management (ERM) framework has been implemented in the Company and risk reporting structure has been put in place.

19. CEO/ CFO CERTIFICATION

In terms of Department of Public Enterprises Guidelines on Corporate Governance, the certification by the CEO/ CFO on the financial statements and internal controls relating to financial reporting for the financial year 2015-16 was submitted to the Audit Committee/ Board of Directors on 21st May, 2016.

20. SECRETARIAL AUDIT REPORT

The Companies Act, 2013 inter-alia provides for every listed company and companies belonging to prescribed class or classes of companies shall annex a Secretarial Audit Report given by a Company Secretary in practice with its Board's report. Accordingly, the Board has appointed M/s Meenu Gupta & Associates, Company Secretary in practice to conduct Secretarial Audit for the financial year 2015-16. Secretarial Audit report for the financial year ended 31st March, 2016 is annexed to this report.

M/s Meenu Gupta & Associates, Company Secretaries has carried out Secretarial Audit on compliances of various applicable provisions of the Companies Act, 2013 & Rules made under the Act; the Depository Act, 1996; the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Debt Listing Agreement; the Foreign Exchange Management Act, 1999 & other laws applicable on the Company.

Further, M/s. Meenu Gupta & Associates, Secretariat Auditors, has also conducted audits and examined the compliances of DPE Guidelines on Corporate Governance 2010.

The reports of M/s Meenu Gupta & Associates Co, Company Secretaries forms part of the Board's Report.

Your Secretarial Auditors have made the following observations in its Report:

I. Non-compliance with respect to composition of Board and Board Committee(s); and

II. Delay in signing of minutes of meetings of Board of Directors of the Company held on 19th May 2015, 25th May 2015 and 16th June 2015.

Explanation on observations made by Secretarial Auditors is as under:

I. Your Company was in compliance with composition of Board and Board committees till 4th of June, 2015. Subsequently the term of appointment of Independent Directors matured on 4th June, 2015. Being a Government Company appointment of Independent Directors are to be made by the Government of India. Ministry of Petroleum & Natural Gas has been requested to appoint requisite number of Independent Directors to comply with the provisions of Companies Act, 2013.

II. The management of your Company on 9th July, 2015 had given assurance that appropriate steps will be taken for avoiding delays in signing of minutes. Minutes thereafter were signed within prescribed time in the reported period.

21. AUDIT QUALIFICATION ON STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

Your Company has received 'Nil' comments from Comptroller & Auditor General of India and Statutory Auditors on standalone and consolidated financial statements for the year 2015-16.

22. WHISTLE BLOWER POLICY

A Whistle Blower Policy has been implemented by our parent company ONGC and is functional from 1st December, 2009. The policy ensures that a genuine Whistle Blower is granted due protection from any victimization.

23. FEE TO STATUTORY AUDITORS

The total fee paid/ payable to the Statutory Auditors for the financial year 2015-16 was ₹ 5.29 million (previous year ₹ 4.27 million).

24. GENERAL INVESTOR (DEBENTURE HOLDERS) INFORMATION

- **Listing on Stock Exchange:**

(i) Company's debt securities are listed on the Wholesale Debt Market (WDM) segment of National Stock Exchange of India Limited (NSE);

(ii) Company issued Notes in May-2013 and in July 2014 in international debt capital markets. USD denominated Notes (issued in May 2013 and July 2014) are listed on the Official List of the Singapore Exchange Securities Trading Limited. Further, Euro bonds issued in July 2014 are listed on open market (Freiverkehr) segment of Frankfurt Stock Exchange (Frankfurter Wertpapierbörse).

- **Debenture Issued in India**
  IDBI Trusteeship Services Limited
  Asian Building, Ground Floor,
  17, R. Kamani Marg, Ballard Estate,
  Mumbai – 400 023;
- **Debt Securities Issued outside India**
  Citicorp International Limited,
  39th Floor, Citibank Tower
  Citibank Plaza, 3 Garden Road
  Central, Hong Kong
- **Payment of listing Fees**

Annual listing fee till the financial year 2015-16 has been paid by the Company to the National Stock Exchange.

The applicable upfront listing fee for the Notes has been paid to the Singapore Exchange Securities Trading Limited as well as to the Frankfurt Stock Exchange.

Inauguration of G&G centre at OVAI, Houston

Secretarial Audit Report

Bangladesh

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March,2016

(Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ONGC Videsh Limited,
6th Floor, Kailash,
26, K. G Marg,
New Delhi-110001

In terms of the provisions of the section 204(1) of the Companies Act 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Guidelines on Corporate Governance for Central Public Enterprise as stipulated in the O. M. No. 18 (8) 2005-GM dated 14th May 2010 of Ministry of Heavy Industries and Public Enterprise, Government of India (the DPE Guidelines on Corporate Governance) and other applicable provisions, if any, we have conducted the Secretariat Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ONGC Videsh Limited, a company incorporated under the provisions of the Companies Act, 1956, Vide CIN U74899DL1965GOI004343 and having its registered office at 6th Floor, Kailash, 26, K G Marg, New Delhi-110001 (hereinafter referred to as "the Company"). Secretariat Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act'):-

   a. The securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; Not Applicable since there was no activity relating to Substantial Acquisition of Shares and Takeovers during the period under review.

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation,1992:

   c. The Securities and Exchange board of India (Issue of Capita land Disclosure Requirements) Regulations, 2009: Not Applicable since there has been no activity relating to issue of capital during the period under review.

   d. The Securities and Exchange board of India (Exchange Stock option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: Not Applicable as the Company has not issued / proposed to issue any Employee Stock Option Scheme and Employee Stock Purchase Scheme during the financial year under the review.

   e. The Securities and Exchange board of India (Issue and Listing of Debt Securities) Regulation , 2008:

   f. The securities and Exchange Board of India (Registers to an issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client; Not Applicable

   g. The securities and Exchange Board of India (Delisting of Equity Shares) Regulations , 2009; Not Applicable as the company has not delisted/proposed to Delist its equity share from any stock exchange during the financial year under review.

   h. The securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, Not Applicable as the Company has not bought back/ proposed to buy back any of its securities during the financial year under the review.

VI. The Company has not identified any law as specifically applicable to the Company. Since all the operations of the Company are based out of India as such subject to the laws of respective countries, we have not reviewed the compliance with respect to the laws as applicable out of India.

VII. Guidelines on Corporate Governance for Central Public Enterprise as stipulated in 0.M. No. 18(8)2005-GM dated May 2010 of ministry of heavy Industries and Public Enterprise, Government of India (the DPE Guidelines on Corporate Governance).

We have also Examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company secretaries of India with as effective from 1st July, 2015.

ii. The Listing Agreements entered into by the Company with National Stock Exchange on India Ltd, for the listing of Debt Securities.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations;

1. Except for the period from 1st April, 2015 to 4th June, 2015, the composition of the Board of Directors of the Company during the Financial Year 2015-16 did not comply with the provisions of Section 149 of the Act and DPE Guidelines on Corporate Governance with regard to the appointment of Independent Directors and consequently no separate meeting of Independent Directors was held during the period under audit, and the composition of the Audit Committee and Remuneration and Nomination Committee was also not as per the requirements of the Act.

2. Minutes of the meeting of Board of Directors of the Company held on 19th May 2015, 25th May 2015 and 16th June 2015 were not signed within specified time. In line with the management's assurance given on 9th July 2015, minutes thereafter were duly signed within prescribed time.

We further report that

Subject to our observations at Serial No. 1 and 2 above, during the period under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance of the Board Meeting. However, if required, supplementary note(s) on agenda are sent later, at shorter notice, for information of the board members and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes wherever applicable.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has entered into/carried out the following specific events/actions which may have a major bearing on the company's affairs:

1. The company has amended the Objects clause of the Memorandum of Association of the company to authorise the setting up of subsidiary/joint venture companies in India as well.

For Meenu Gupta & Associates
Company Secretaries

Sd/-
(Meenu Gupta)
Proprietor
FCS: 5422, CP No. 4552

Date: 28th June, 2016
Place: New Delhi

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure-A

To,
The Members,
ONGC Videsh Limited
6th Floor, Kailash,
26, K G Marg,
New Delhi-110001

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the practices and process, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. All the operations of the Company are based out of India and as such subject to the laws of respective countries. We have not reviewed the compliance with respect to the laws as applicable out of India.
5. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither as assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Meenu Gupta & Associates
Company Secretaries

Sd/-
(Meenu Gupta)
Proprietor
FCS: 5422, CP No. 4552

Date: 28th June, 2016
Place: New Delhi

FPSO ESPIRITO SANTO of BC10 Project- Brazil- Deep water operations at its best

Sakhalin, Russia

C&AG Comments Standalone

Russia

C&AG COMMENTS - STANDALONE

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ONGC VIDESH LIMITED FOR THE YEAR ENDED 31 MARCH 2016.

The preparation of financial statements of ONGC Videsh Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance. with standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 5 July 2016.

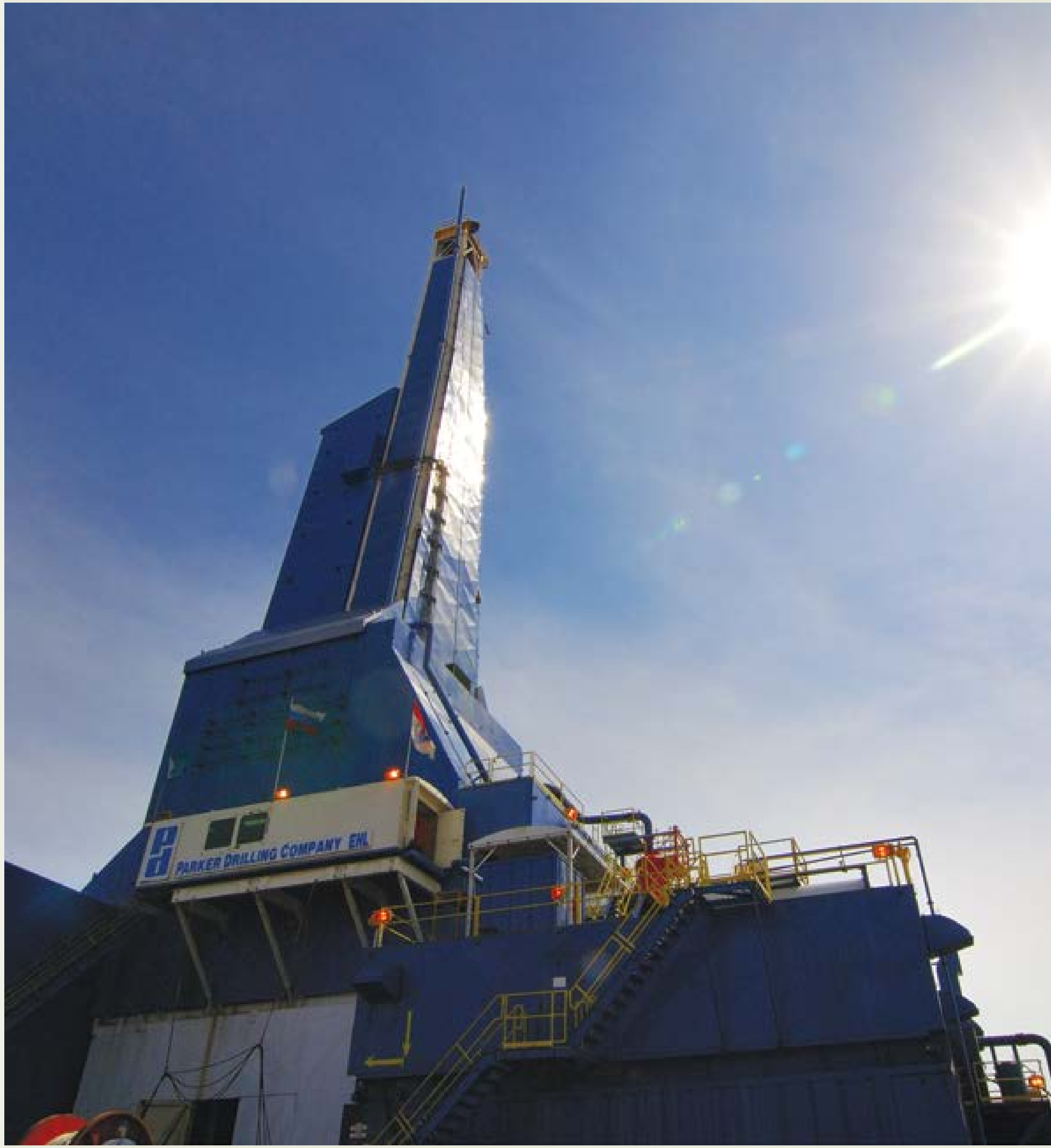
I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of ONGC Videsh Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the

Comptroller & Auditor General of India

Sd/-
(Suparna Deb)
Director General of Commercial Audit
& ex-officio Member, Audit Board - II,
New Delhi

Place: New Delhi
Date: 13.07.2016



Drilling activities in Sakhalin

Mansarovar and Ecopetrol teams at Moriche, Colombia

Auditor's Report Standalone

Independent Auditor's Report-Standalone

To the Members
ONGC Videsh Limited

This revised Independent Auditor's Report is being issued in supersession of our earlier Independent Auditor's Report dated May 21, 2016. Revised report is being issued in view of the apparent typographical errors and certain deficiencies as pointed out by C & AG of India in our earlier report. Further we confirm that there is no change in the opinion as expressed earlier and also none of the figures have undergone any change in the standalone financial statements of the Company as at 31 March, 2016.

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of "ONGC Videsh Limited" ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

   We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its loss and its Cash Flows for the year ended on that date.

Emphasis of matter

5. We draw attention to Note no. 38 regarding provisions for impairment in respect of 2 Cash Generating Units (CGUs) and diminution in value of investment. The Company has made provision for impairment of ₹ 18,792.03 million towards 2 CGUs and ₹ 11,679.71 million towards diminution in value of investment. We have relied upon the results of the Impairment test conducted by Management.

   Our opinion is not modified in respect in this matter.

Other Matters

6. Considering the fact that actual operations are performed outside India and operator is responsible for maintaining the original books of account on behalf of all the members as per Joint operating agreement, we have conducted our audit by relying on such information furnished by the operator based on the audited statements or where Joint Ventures are not audited, relying upon the information furnished by the management. The financial statement includes the Company's share in total value of assets, liabilities, expenses and net profits in the overseas joint ventures. 4 International Joint Ventures, are audited as at 31 March 2016 and 7 International Joint Ventures are audited by other auditors appointed by the management of the respective joint ventures / the company under respective local laws / Production Sharing Contract / Joint Operating Agreement as at 31 December 2015, however these were updated for position as at 31 March 2016 by the management and 10 International Joint Ventures are unaudited. These audited joint ventures accounts (including for the period ended 31 December 2015) cover 70% of Income, 78% of Tangible and intangible assets, 77% of Oil & Gas assets, 10% of Capital work in progress and 10% of Exploratory and Development wells in progress.

   We have placed reliance on technical / commercial evaluation by the management in respect of categorization of expenditure on projects in exploratory and development wells in progress, oil & gas assets and capital work in progress, well status, allocation of cost incurred on them, depletion of oil & gas assets on the basis of Proved Developed hydrocarbon Reserves as estimated by the Reserve Estimation Committee (REC) of the Parent Company, provision for abandonment cost, allocation of depreciation / amortization on Tangible / Intangible Assets and liabilities against agreed minimum work program.

   Our opinion is not modified in respect of other matter.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the said order.

8. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, the "Annexure B" on the directions and sub-directions by the Comptroller and Auditor General of India.

9. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors as on 31 March 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C"; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 48 to the financial statements;

      ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 49 to the financial statements;

      iii) There was no amount which was required to be transferred to the Investor Education and protection fund by the company.

For Prem Gupta & Co
Chartered Accountants
Firm Registration Number 000425N

Sd/-
(Rajan Uppal)
Partner (M No 097379)

For B.C Jain & Co.
Chartered Accountants
Firm Registration Number 001099C

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Place : New Delhi
Dated : 05th July, 2016

Annexure-A to the Auditors Report

Annexure referred to in paragraph 7 of Independent Auditors Report to the members of ONGC Videsh Ltd. on the accounts for the year ended 31st March, 2016

1. In respect of fixed assets:

a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets in India at headquarters and in case of operated projects and branches outside India. In respect of non-operated ventures outside India fixed assets are accounted for based on the information made available by the respective operators of joint ventures and such fixed assets are in the custody of the consortium and/or operator on behalf of the partners for business operation throughout the term of the respective agreements. However, we suggest that location of fixed assets should be updated regularly.

b) *As explained to us, during the year, the management has undertaken physical verification of fixed assets located at projects/offices in Colombia, Vietnam, Russia and Corporate Office. The reconciliation is pending for discrepancies found during physical verification of tangible assets in respect of these Projects/offices.*

c) The title deed of immovable property is held in the name of the Company.

2. In respect of its inventories:

   a) The Company does not have any inventory in India. However, inventories lying outside India in non-operated/ operated projects are in the custody of the consortium and/or operator on behalf of the consortium partners. During the year under audit, physical verification of majority of inventories lying in non-operated/operated projects was conducted by the respective operator of the joint ventures in accordance with the requirements of the respective agreements. It was informed that the inventory held by the Company representing Company's share of participating interest in joint ventures outside India is incorporated in the books of accounts on the basis of information provided by the respective operators. As informed by the management the procedures of physical verification of inventory lying outside India, followed by the management in respect of operated and non-operated Joint Ventures are reasonable and adequate in relation to the size of the Company and the nature of its business.

   b) As informed by the management, the proper records of inventory are being maintained by overseas operated and non-operated Joint Ventures and no material discrepancies were noticed during such physical verifications.

3. According to information and explanation given to us the Company has granted long term loans to its subsidiaries and the amount outstanding as on 31 March, 2016 is ₹ 17,768.20 million (₹ 13,193.23 million as on 31 March, 2015), out of which ₹ 7,906.22 million is non-interest bearing and a provision for ₹ 2,083.60 million has been provided for. The terms and condition of the loans are not prejudicial to interest of the Company. No schedule of repayment of principal and interest has been stipulated.

4. In case of loans and advances given to directors amounting to ₹ 1.99 million, Section 185 of the Companies Act, 2013 have been complied with and such loans are as part of conditions of service extended by the Company. Further, section 186 of the Companies Act 2013 is not applicable to the Company.

5. The Company has not accepted any deposit from public.

6. As informed to us, the Central Government has not prescribed the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 for activities performed by Company.

7. a) Provident fund contributions are transferred by the Company to its holding Company, Oil and Natural Gas Corporation Limited (ONGC). ONGC is responsible for depositing the same with appropriate authority. Undisputed statutory dues including income tax, sales tax, VAT, custom duty, excise duty and service tax and other statutory dues have generally been regularly deposited with appropriate authorities and there are no undisputed dues outstanding as on 31st March 2016, for a period exceeding six month from the date they become payable. We have been informed that employees state insurance (ESI) is not applicable to Company.

   b) According to the records of the Company, the income tax and service tax dues which are pending on account of dispute is as under:

Name of Statute	Nature of Dues	Amount (₹ in million)	Period to which amount relates	Forum where dispute is pending
Income-tax Act 1961	Disputed Income-tax demand	9,071.72#	AY 06-07 to AY12-13	CIT(A)
Service tax-Finance Act, 1994	Demand cum Show Cause under Service Tax	61,026.75	FY 06-07 to FY 14-15	Commissioner-Service Tax
TOTAL		**70,098.47**		

against disputed income tax demand, Rs 5684.75 million has been adjusted by authorities or paid by Company under protest from time to time.

8. The Company has not defaulted in the repayment of dues to any financial institution, banks, Government and debenture holders during the year.

9. The Company has not raised money by way of Initial Public Offer (IPO) or further public offer (including debt instruments) during the year. According to information and explanation given to us; term loans were broadly applied for the purposes for which those are raised.

10. According to the information and explanations given by the management and to the best of our knowledge and belief, no fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.

11. The provisions of section 197 of the Companies Act, 2013 related to managerial remuneration is not applicable.

12. The Company is not a Nidhi Company.

13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. According to information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

16. The Company is not required to be registered with RBI under Section 45-IA of Reserve Bank of India Act, 1934.

	For Prem Gupta & Co	For B.C Jain & Co.
	Chartered Accountants	**Chartered Accountants**
	Firm Registration Number 000425N	**Firm Registration Number 001099C**
	Sd/-	**Sd/-**
Place : New Delhi	**(Rajan Uppal)**	**(Shyamji Gupta)**
Dated : 05th July, 2016	**Partner (M No 097379)**	**Partner (M No. 416155)**

Annexure-B to the Auditors Report

Annexure referred to in paragraph 8 of our report of even date to the members of ONGC Videsh Limited for the year ended 31 March 2016

Sl No	A) Directions	Action Taken	Impact on financial statement
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Company has a perpetual lease hold land and lease deed is in the name of the Company	Nil
2	Please report whether there are any cases of waiver/ write offs of debts/loans/interest etc., if yes, the reasons therefore and the amount involved.	According to information and explanation given to us there are no any cases of waiver/write offs of debts/loans/ interest etc.,	Nil
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	The Company does not have any inventory in India. As informed to us, records in respect of inventories lying with third parties in non-operated/operated projects outside India are properly maintained by the consortium and / or operator on behalf of the consortium partners. As informed by the management, no assets have been received by the Company as gift from Govt. or other authorities.	Nil
	B) Sub Directions		
1	Acquisition cost of oil and gas property in exploration and development stage were being taken to acquisition cost under the respective category. Now, acquisition cost relating to projects under exploration or development are to be initially accounted for as 'Capital work-in-progress'. Such costs would then be capitalized by transferring to 'Producing Property' when a well is ready to commence commercial production. In case of abandonment/ relinquishment such costs are written off. The same may be verified.	As per accounting policy c.1.2 of the Company "Acquisition cost relating to projects under exploration or development are initially accounted as capital work in progress. Such costs are capitalized by transferring to Oil & Gas Assets when a well is ready to commence commercial production. Acquisition costs relating to unsuccessful exploration projects are written off on relinquishment."	Nil
2	Independent verification may be made of information/ inputs furnished to Actuary, viz number of employees, average salary, retirement age and assumptions made by the Actuary regarding discount rate, future cost increase, mortality rate, etc for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment, post-retirement medical benefits etc.	The employees of the Company are deputed from the parent company Oil and Natural Gas Corporation Limited and governed as per the parent company policy for employee benefit. All the scheme relating to employee benefits are administered by the parent company and accordingly the year end provision of employee benefits from the current year are settled by transfer to the parent company.(Also Refer Note no. 43 to the Financial Statements)	Nil

For Prem Gupta & Co
Chartered Accountants
Firm Registration Number 000425N

Sd/-
(Rajan Uppal)
Partner (M No 097379)

For B.C Jain & Co.
Chartered Accountants
Firm Registration Number 001099C

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Place : New Delhi
Dated : 05th July, 2016

Annexure-C to the Auditors Report

Annexure referred to in paragraph 9 (f) of our report of even date to the members of ONGC Videsh Limited for the year ended 31 March 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of "ONGC Videsh Limited" ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

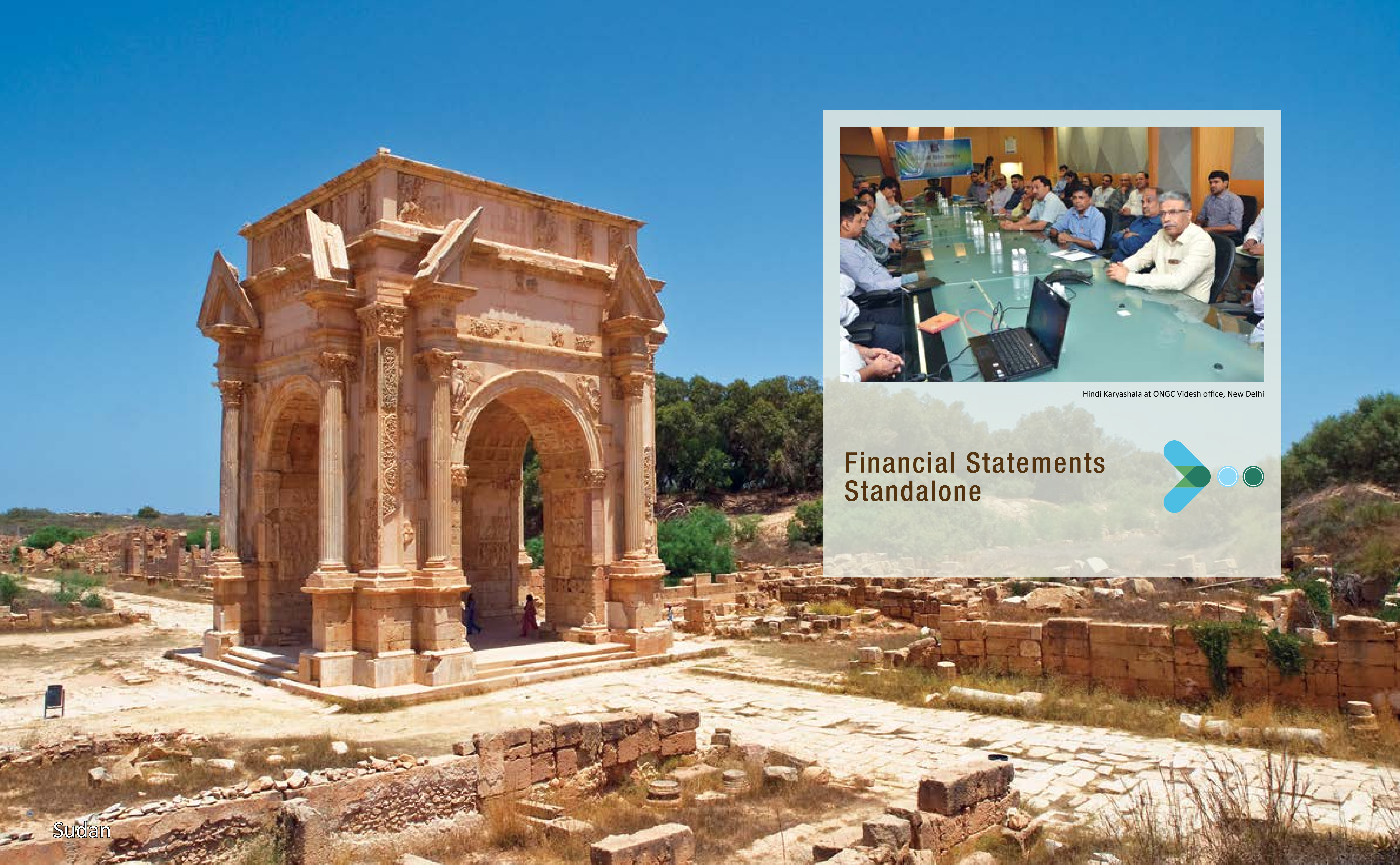
For Prem Gupta & Co
Chartered Accountants
Firm Registration Number 000425N

Sd/-
(Rajan Uppal)
Partner (M No 097379)

For B.C Jain & Co.
Chartered Accountants
Firm Registration Number 001099C

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Place : New Delhi
Dated : 05th July, 2016



Hindi Karyashala at ONGC Videsh office, New Delhi

Financial Statements Standalone

Balance Sheet, Statement of Profit & Loss and notes to the financial statements (1-50) including accounting policies - Standalone

Balance Sheet as at 31 March 2016

(₹ in million)

	Note No.	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	100,000.00	100,000.00
Reserves and surplus	4	140,382.44	165,891.97
Non-current liabilities			
Long-term borrowings	5	371,020.70	360,621.78
Deferred tax liabilities (Net)	6	7,168.13	8,066.79
Liability for abandonment	7	59,085.50	54,048.86
Other long term liabilities	8	9,266.18	-
Long-term provisions	9	1,499.70	1,213.38
		448,040.21	423,950.81
Current liabilities			
Trade payables			
Outstanding dues of creditors other than micro, medium and small enterprises	10	28,939.54	26,488.60
Other current liabilities	11	5,710.56	7,804.76
Short-term provisions	12	1,658.75	-
		36,308.85	34,293.36
TOTAL		724,731.50	724,136.14
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets			
Oil & Gas assets	13	225,021.06	130,547.03
Other tangible assets	14	10,215.56	113,453.44
Capital work in progress			
Development wells in progress	15A	5,629.39	6,921.12
Others	15B	31,817.71	19,081.61
Intangible assets			
Exploratory wells in progress	16	18,076.93	15,739.72
Other intangible assets (Software)	17	153.73	100.67
Other intangible assets (Acquisition Cost)	18	148,635.50	147,788.69
		439,549.88	433,632.28
Non-current investments	19	205,666.05	220,374.67
Long-term loans and advances	20	21,108.25	15,878.29
Deposits / Investments for Site Restoration Fund	21	12,156.88	10,980.19
Other Non-current assets	22	10,128.89	626.37
Current assets			
Inventories	23	6,326.99	4,257.66
Trade receivables	24	6,185.87	7,574.22
Cash and cash equivalents	25	1,327.38	7,338.29
Short-term loans and advances	26	857.04	1,055.60
Other current assets	27	21,424.27	22,418.57
		36,121.55	42,644.34
TOTAL		724,731.50	724,136.14
The accompanying notes are an integral part of these financial statements.	1-53		

Sd/-
(S B Singh)
Company Secretary

Sd/-
(S P Garg)
Director (Finance)

Sd/-
(Narendra K Verma)
Managing Director

As per our report of even date attached.
For Prem Gupta & Co.
Chartered Accountants
Firm Regn No. 000425N

For B C Jain & Co.
Chartered Accountants
Firm Regn No. 001099C

Place: New Delhi
Dated: 21 May 2016

Sd/-
(Rajan Uppal)
Partner (M No. 097379)

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Statement of Profit and Loss for the year ended 31 March 2016

(₹ in million)

	Note No.	2015-16	2014-15
Continuing operations			
INCOME			
Revenue from operations	28	71,117.40	91,455.45
Other income	29	5,924.88	4,521.90
Total Revenue		77,042.28	95,977.35
EXPENSES			
Production, Transportation, Selling and Distribution expenditure	30	22,547.25	23,704.55
Change in inventories of finished goods	31	3.89	(0.27)
Financing costs	32	8,687.34	7,446.26
Depreciation, Depletion and Amortization	33	27,502.68	29,696.73
Survey expenditure		1,428.96	698.68
Dry Wells written off		779.28	749.12
Other expenses	34	(1,709.85)	(1,517.79)
Provisions and Write-offs (Net)	35	4,604.86	2,066.10
Decrease/(increase) due to Overlift/Underlift quantity	36	(421.20)	371.93
Total expenses		63,423.21	63,215.31
Profit/(Loss) before prior period, exceptional and extraordinary items and tax		13,619.07	32,762.04
Adjustments relating to prior period (Net)	37	-	(1,213.49)
Profit/(Loss) before exceptional and extraordinary items and tax		13,619.07	33,975.53
Exceptional items	38	30,471.74	-
Profit/(Loss) before extraordinary items and tax		(16,852.67)	33,975.53
Extraordinary items		-	-
Profit/(Loss) before tax		(16,852.67)	33,975.53
Less: Tax expense			
Current tax		4,201.82	11,017.00
Deferred tax		(898.66)	1,543.05
Earlier years		438.51	-
Total tax expense		3,741.67	12,560.05
Profit/(Loss) for the year from continuing operations		(20,594.34)	21,415.48
Discontinuing operations			
Profit / (Loss) From discontinuing operations		-	-
TAX EXPENSE OF DISCONTINUING OPERATIONS		-	-
PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS (after tax)		-	-
Profit/(Loss) for the year		(20,594.34)	21,415.48
Earnings per equity share			
Basic (₹)	39	(20.59)	21.42
Diluted (₹)		(20.59)	21.42
The accompanying notes are an integral part of these financial statements.	1-53		

Sd/-
(S B Singh)
Company Secretary

Sd/-
(S P Garg)
Director (Finance)

Sd/-
(Narendra K Verma)
Managing Director

As per our report of even date attached.
For Prem Gupta & Co.
Chartered Accountants
Firm Regn No. 000425N

For B C Jain & Co.
Chartered Accountants
Firm Regn No. 001099C

Place: New Delhi
Dated: 21 May 2016

Sd/-
(Rajan Uppal)
Partner (M No. 097379)

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Cash Flow Statement for the year ended 31 March 2016

(₹ in million)

		2015-16		2014-15	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit/(Loss) before extraordinary items and tax		**(16,852.67)**		33,975.53
	Adjustments for:				
	- Adjustments relating to prior period (Net)	-		(1,213.49)	
	- Provision for investment in lease	**284.69**		243.93	
	- Provisions for doubtful debts/claims	**2,657.69**		901.76	
	- Provision for non moving inventory	**(40.69)**		243.58	
	- Excess provisions written back	**(171.39)**		(30.45)	
	- Other provisions and write offs	**1,874.55**		707.29	
	- Unrealized foreign exchange losses/(gains)	**(2,010.94)**		(1,625.25)	
	- Provision for mark to market loss on derivative contracts	**286.32**		107.46	
	- Amortization of deferred premium on forward exchange contracts	**14.77**		-	
	- Depreciation on tangible assets	**1,993.33**		2,024.47	
	- Amortization of intangibles	**30.60**		30.59	
	- Depletion of Oil & Gas assets	**25,478.75**		26,868.34	
	- Interest expenses/Discount on issue of bonds	**5,884.77**		6,190.40	
	- Foreign exchange fluctuation related to borrowing cost	**2,802.57**		1,255.86	
	- Dividend Income	-		-	
	- Interest income	**(1,687.28)**		(439.69)	
	- Profit on redemption/ sale of investments	**(1,989.94)**		(2,497.64)	
	- Gain on foreign exchange forward contracts	**(116.24)**	**35,291.56**	(126.41)	32,640.75
	Operating profit before working capital changes		**18,438.89**		66,616.28
	Adjustments for:-				
	- Decrease/(increase) in inventories	**(2,028.64)**		(1,265.19)	
	- Decrease/(increase) in trade receivables	**1,388.35**		3,388.73	
	- Decrease/(increase) in short-term loans and advances	**198.54**		287.48	
	- Decrease/(increase) in other current assets	**994.30**		(3,129.46)	
	- Increase/(decrease) in trade payables	**2,450.94**		11,682.19	
	- Increase/(decrease) in other current liabilities	**(1,922.80)**		(34,346.42)	
	- Increase/(decrease) in short-term provisions	**1,658.75**	**2,739.44**	-	(23,382.67)
	Cash generated from/(used in) operations		**21,178.33**		43,233.61
	Direct taxes paid (net of tax refunds)		**(4,640.33)**		(11,415.20)
	Net cash flow before prior period items		**16,538.00**		31,818.41
	Prior period items		-		1,213.49
	Net Cash Flow from/(used in) Operating Activities (A)		**16,538.00**		33,031.90
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	- Purchases of tangible assets (Net)		**15,745.35**		(70,962.46)
	- Purchases of intangible assets (Net)		**(83.66)**		(48.53)
	- Expenditure on projects		**(43,908.93)**		39,644.54
	- Investment in subsidiaries/JVs		**14,708.62**		3,257.83
	- Decrease/(increase) in long-term loans and advances		**(5,229.97)**		(5,085.65)
	- Foreign currency translation reserve		**815.25**		457.79
	- Deposits / investments for Site Restoration Fund		**(1,176.70)**		(3,252.22)
	- Decrease/(increase) in other non-current assets		**(12,444.89)**		(2,734.42)
	- Amortization of deferred premium on forward exchange contracts		**(14.77)**		-
	- Interest income		**1,687.28**		439.69
	- Profit on redemption/ sale of investments		**1,989.94**		2,497.64
	Net Cash Flow from/(used in) Investing Activities (B)		**(27,912.48)**		(35,785.79)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	- Net long-term borrowings (term loans) from banks		**6,585.25**		4,579.50
	"- Net long-term borrowings from parent company Oil and Natural Gas Coproation Limited (ONGC) (Note 5d)"		**(8,557.08)**		13,227.35
	- Increase/(decrease) in foreign currency bonds (foreign exchange fluctuation)		**12,370.75**		131,545.50
	- Foreign currency monetary item difference account		**(5,730.43)**		(4,513.14)
	- Increase/(decrease) in other long-term liabilities		**9,266.18**		-
	- Increase/(decrease) in short-term borrowings		-		(133,633.50)
	- Interest expenses		**(5,884.77)**		(6,190.40)
	- Foreign exchange fluctuation related to borrowing cost		**(2,802.57)**		(1,255.86)
	- Gain on foreign exchange forward contracts		**116.24**		126.41
	Net Cash Flow from/(used in) Financing Activities (C)		**5,363.57**		3,885.86
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		**(6,010.91)**		1,131.97
	Cash and Cash Equivalents as at 1 April 2015 (Opening Balance)		**7,338.29**		6,206.32
	Cash and Cash Equivalents as at 31 March 2016 (Closing Balance)		**1,327.38**		7,338.29

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the accounting standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
2 Bracket indicates cash outflow/ deduction.
3 Previous year figures have been regrouped/re-classified wherever necessary to conform to the current years classification.
4 Adjustments have not been made to purchases of tangible and intangible assets etc. (investing activities), on account of increase / decrease in creditors for the assets.. The impact of the same is not readily ascertainable.

Sd/-
(S B Singh)
Company Secretary

Sd/-
(S P Garg)
Director (Finance)

Sd/-
(Narendra K Verma)
Managing Director

As per our report of even date attached.
For Prem Gupta & Co.
Chartered Accountants
Firm Regn No. 000425N

For B C Jain & Co.
Chartered Accountants
Firm Regn No. 001099C

Place: New Delhi
Dated: 21 May 2016

Sd/-
(Rajan Uppal)
Partner (M No. 097379)

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Notes to the financial statements for the year ended 31st March, 2016

1. Corporate information

"ONGC Videsh Limited (the Company) is a public limited company domiciled and incorporated in India. "

2. Basis of preparation

2.1 The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India, applying the Successful Efforts Method (SEM) as per the Guidance Note on Accounting for Oil and Gas Producing Activities (Revised 2013) issued by the Institute of Chartered Accountants of India (ICAI) and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees (₹) and all values are rounded off to the nearest million (₹ million) unless otherwise stated.

2.2 **Significant Accounting Policies**

a.1 **Change in Accounting Estimates**

During year ended 31 March 2016, in terms of guidance note on Oil & Gas Producing Activities (revised 2013) and EAC opinion issued by ICAI, the Company has re-classified producing property and production & allied facilities assets as "Oil and Gas Assets" under Fixed Assets.-

Existing Accounting Estimate - Producing Property	Revised Accounting Estimate - Oil & Gas Assets	Financial Impact over the financial statements
d. & e. Under existing method of charging depletion, the facility assets are depreciated as per the Companies Act, 2013 based upon the life of the asset and the depreciation is capitalized to producing properties and then depleted based upon the unit of production method.	d & e. Under the revised method, the facility assets are clubbed as Oil & Gas Assets along with the producing properties consisting the well costs as these are the integral part of the production process and then depleted based upon the unit of production method instead of depreciating in accordance with the provision specified in Companies Act, 2013.	Depletion charged to Statement of Profit and Loss for the year is higher by ₹ 2.79 million

a.2 **Documentation, rewording or re-alignment of Accounting Policies to properly reflect existing accounting practice**

Policy no.	Existing Policy	Accounting policy documented in FY 2015-16	Financial Impact over the financial statements
b	The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.	The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.	Nil
c.1.2	Acquisition cost relating to projects under exploration or development are initially accounted as capital work in progress and capitalized as producing property on commencement of commercial production. Acquisition costs relating to unsuccessful exploration projects are written off on relinquishment.	Acquisition cost relating to projects under exploration or development are initially accounted as capital work in progress. Such costs are capitalized by transferring to Oil & Gas Assets when a well is ready to commence commercial production. Acquisition costs relating to unsuccessful exploration projects are written off on relinquishment.	Nil
c.1.3	Acquisition costs relating to projects under production are capitalized as Producing Properties.	Acquisition costs of a producing oil and gas property are capitalized as proved property acquisition cost under Oil & Gas Assets and amortized using unit of production method over proved reserves of underlying asset.	Nil
c.3.1	Exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalised as Exploratory Wells in Progress till the time these are either transferred to Producing Properties on completion as per Note d.1 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or no further use for any purpose, as the case may be.	All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells in Progress till the time these are either transferred to Oil & Gas Assets on completion as per Note c.1.2 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.	Nil

Policy no.	Existing Policy	Accounting policy documented in FY 2015-16	Financial Impact over the financial statements
c.3.2	All costs relating to development wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Producing Properties' on completion as per Note d.1.	All costs relating to development wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil & Gas Assets' on completion as per Note d.1.	Nil
c.3.3	Costs of exploratory wells are not carried unless there are indications of sufficient quantity of reserves and sufficient progress is made in assessing the reserves and the economic & operating viability of the project. All such carried costs are subject to review for impairment.	Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per note g.	Nil
d.1	Producing properties are created in respect of a field/project having proved developed oil and gas reserves when any well in the field/project is ready to commence commercial production. Development wells are capitalized to producing properties on completion.	Oil & Gas Assets are stated at historical cost less accumulated depletion and impairment. These are created in respect of a field/project having proved developed oil and gas reserves, when any well in the field/project is ready to commence commercial production. Development wells are capitalized to Oil & Gas Assets on completion.	Nil
d.2	All acquisition costs, cost of successful exploratory wells and all development wells, all related development costs including depreciation on support equipment and facilities and estimated future abandonment costs relating to producing properties are capitalized as Producing Properties.	All acquisition costs, cost of successful exploratory wells and all development wells, all related development costs including depreciation on support equipment and estimated future abandonment costs relating to Oil & Gas Assets are capitalized as Oil & Gas Assets.	Nil
g.1	Producing Properties, Development Wells in Progress (DWIP) and Fixed Assets (Including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, event and circumstances indicates any impairment, recoverable amount of these assets is determined, being the higher of net selling price and value in use. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount by writing down such assets to their recoverable amount. In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at an appropriate rate.	Oil & Gas Assets, Development Wells in Progress (DWIP) and Fixed Assets (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is higher of its 'value in use' or 'net selling price' (if determinable). In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.	Nil
k.1	Depreciation on tangible assets (including those taken on finance lease) is provided for under the written down value method over the useful life of Asset which is not more than useful life specified in Schedule II to the Companies Act, 2013.	Depreciation on tangible assets including those taken on finance lease (other than Oil & Gas Assets) is provided for under the written down value method over the useful life of Asset which is not more than useful life specified in Schedule II to the Companies Act, 2013.	Nil
k.5	Depreciation on additions/deletions during the year is provided on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition.	Depreciation on additions/deletions to tangible assets other than Oil & Gas Assets during the year is provided for on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000.00 which are fully depreciated at the time of addition.	Nil
k.6	Depreciation on subsequent expenditure on fixed assets arising on account of capital improvement or other factors is provided for prospectively.	Depreciation on subsequent expenditure on tangible assets othere than Oil & Gas Assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.	Nil
k.7	Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life which is not more than the life specified in Schedule II to the Companies Act, 2013.	Depreciation on refurbished/revamped assets other than Oil & Gas Assets which are capitalized separately is provided for over the reassessed useful life which is not more than the life specified in Schedule II to the Companies Act, 2013.	Nil
k.8	Depreciation on tangible assets (including those taken on finance lease, support equipment and facilities) used for exploration and drilling activities and on facilities is initially capitalized as part of exploration or development costs and expensed/depleted as stated in policy d and e above.	Depreciation on fixed assets (other than Oil & Gas assets) including support equipment used for exploratory/ development drilling is initially capitalised as part of the cost and expensed/depleted as stated in Note 2.d and 2.e. Depreciation on equipment/ assets deployed for survey activities is charged to the Statement of Profit and Loss.	Nil
r.3	Provisions for gratuity, leave encashment and other employee benefits are made as per actuarial valuation at the end of the financial year except for gratuity and leave encashment the same are not funded.	Provisions for gratuity, leave encashment and other employee benefits are made as per actuarial valuation at the end of the financial year. The Company contributes all ascertained liabilities with respect to gratuity and leave/compensated absences to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LIC) respectively. Other defined benefit schemes are unfunded.	Nil

b Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

c Acquisition Cost of acquiring rights to explore, develop and produce oil & gas

c.1.1 **Acquisition cost:**

Acquisition costs cover all costs incurred to purchase, lease or otherwise acquire a property or mineral right proved or unproved. In case of acquiring participating interest in an oil and gas property, acquisition cost is the difference between the purchase consideration and net book value of assets minus the liabilities acquired relating to the Company's share of participating interest in the oil and gas assets on the date of acquisition.

c.1.2 **Exploration and Development stage**

Acquisition cost relating to projects under exploration or development are initially accounted as capital work in progress. Such costs are capitalized by transferring to Oil & Gas Assets when a well is ready to commence commercial production. Acquisition costs relating to unsuccessful exploration projects are written off on relinquishment.

c.1.3 **Production stage**

Acquisition costs of a producing oil and gas property are capitalized as proved property acquisition cost under Oil & Gas Assets and amortized using unit of production method over proved reserves of underlying asset.

c.2 **Survey Costs**

Cost of Surveys and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

c.3 **Exploratory/Development Wells in Progress Costs**

c.3.1 All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells in Progress till the time these are either transferred to Oil & Gas Assets on completion as per Note c.1.2 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

c.3.2 All costs relating to development wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil & Gas Assets' on completion as per Note d.1

c.3.3 Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per note g.

c.4 **Abandonment Costs**

Costs relating to dismantling, abandoning and restoring well sites and allied facilities are provided as abandonment costs based on the provisions under respective agreements governing Company's activities in the field/ projects.

c.5 **Production Costs**

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

d Oil & Gas Assets

d.1 Oil & Gas Assets are stated at historical cost less accumulated depletion and impairment. Oil & Gas Assets are created in respect of a field/project having proved developed oil and gas reserves, when any well in the field/project is ready to commence commercial production. Development wells are capitalized to Oil & Gas Assets on completion.

d.2 All acquisition costs, cost of successful exploratory wells and all development wells, all related development costs including depreciation on support equipment and estimated future abandonment costs relating to Oil & Gas Assets are capitalized as Oil & Gas Assets.

e Depletion of Oil & Gas Assets

Oil & Gas Assets are depleted using the "Unit of Production Method". The rate of depletion for all capitalized costs is computed with reference to the field/project/amortization base by considering the related proved and developed reserves excepting for acquisition costs which are depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee formed by the parent company Oil and Natural Gas Corporation Limited (ONGC), which follows the International Reservoir Engineering Procedures.

f Side tracking

f.1 The cost of abandoned portion of side tracked exploratory wells is charged to Statement of Profit and Loss as dry wells.

f.2 The cost of abandoned portion of side tracked development wells is considered as part of cost of development wells.

f.3 The cost of sidetracking in respect of existing producing wells is capitalized if it increases the Proved Developed Reserve otherwise, charged to Statement of Profit and Loss as workover expenditure.

g Impairment

g.1 Oil & Gas Assets, Development Wells in Progress (DWIP) and Fixed Assets (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is higher of its 'value in use' or 'net selling price' (if determinable). In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.

g.2 An impairment loss is reversed if there is a change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of a CGU, is allocated to its assets on a pro-rata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

h Joint Ventures

h.1 The Company has entered into overseas joint ventures with others. In such joint ventures as per the contractual arrangements, the Company shares control with other ventures. The financial statements reflect the share of the Company in assets and liabilities as well as income and expenditure of Joint Venture Operations which are accounted for as per various joint venture agreements on a line by line basis along with similar items in the Company's financial statements, except in case of leases, abandonment, impairment, depletion and depreciation which are accounted based on accounting policies of the Company.

h.2 The reserves of hydrocarbons in the joint ventures are taken in proportion to the participating interest of the Company.

i Tangible Assets

i.1 Tangible assets (including those taken on finance lease, support equipment and facilities) are stated at historical cost.

i.2 All costs relating to acquisition of tangible assets till the time of commissioning of such assets are capitalized.

j Intangible Assets

j.1 Costs incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets.

k Depreciation

k.1 Depreciation on tangible assets including those taken on finance lease (other than Oil & Gas Asets) is provided for under the written down value method over the useful life of Asset which is not more than useful life specified in Schedule II to the Companies Act, 2013.

k.2 Intangible Assets are amortized on Straight Line Method (SLM) over the useful life not exceeding five years from the date of capitalization.

k.3 Leasehold land (other than perpetual lease and lease over 99 years) is amortized over the lease period.

k.4 Depreciation on adjustments to tangible assets on account of price variation is provided for prospectively over the remaining useful life of such assets.

k.5 Depreciation on additions/deletions to tangible assets other than Oil & Gas Assets during the year is provided for on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000.00 which are fully depreciated at the time of addition.

k.6 Depreciation on subsequent expenditure on tangible assets other than Oil & Gas Assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

k.7 Depreciation on refurbished/revamped assets other than Oil & Gas Assets which are capitalized separately is provided for over the reassessed useful life which is not more than the life specified in Schedule II to the Companies Act, 2013.

k.8 Depreciation on fixed assets (other than Oil & Gas assets) including support equipment used for exploratory/ development drilling is initially capitalised as part of drilling cost and expensed/depleted as stated in Note 2.d and 2.e. Depreciation on equipment/ assets deployed for survey activities is charged to the Statement of Profit and Loss.

l Inventories

l.1 Crude oil and condensate are valued at cost or net realizable value, whichever is lower.

l.2 Natural gas in pipeline and crude oil/condensate stock in flow lines/gathering stations are not valued.

l.3 Inventory of stores and spares is valued at weighted average cost or net realizable value, if available, whichever is lower. Wherever, weighted average cost or net realizable value is not available, the cost made available by the operator is considered for valuation of Stores and Spares. Provisions are made for obsolete and non-moving inventories.

m Investments

m.1 Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.

m.2 Current investments are valued at lower of cost or fair value.

n Foreign Currency Transactions and Foreign Operations

n.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.

n.2 At each Balance Sheet date, foreign currency monetary items are translated using the average of the exchange rates prevailing on the balance sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such item was determined.

n.3.1 Long term foreign currency monetary items: In accordance with the paragraph 46A of the Accounting Standards (AS) 11, exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable assets are adjusted against the cost of such assets and depreciated over the balance life of the assets and in other cases amortized over the balance period of the long term foreign currency monetary assets or liabilities.

n.3.2 Other foreign currency monetary items: All exchange differences arising on the settlement of monetary items other than long term monetary items or on reporting of monetary items other than long term monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognized as income or as expenses in the period in which they arise.

n.4 In respect of the Company's integral foreign operations:

n.4.1 The foreign currency transactions on initial recognition in the reporting currency are recorded following the policy stated in Note n.1. For practical reasons, the average exchange rate of the relevant month/quarter is taken for the transactions of the month/quarter in respect of joint venture operations, where actual date of transaction is not available.

n.4.2 At each Balance Sheet date, monetary and non-monetary items are translated following the policy stated in Note n.2.

n.4.3 All exchange differences are treated following the policy stated in Note n.3.1 and Note n.3.2.

n.5 The financial statements of the non-integral foreign operations of the Company are incorporated in the financial statements using the following principles:

n.5.1 The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the average of the exchange rate prevailing on the date of the balance sheet;

n.5.2 Income and expense items of the non-integral foreign operation are translated at the average exchange rates for the period to which the financial statements relate; and

n.5.3 All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.

n.6 Exchange differences arising on the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of such investment, at which time they are recognized as income or as expenses.

o Finance Leases

o.1 Assets given on Lease

o.1.1 Assets given on finance lease are accounted for as per Accounting Standard (AS) 19 "Leases" issued by the Institute of Chartered Accountant of India. Such assets are included as a receivable at an amount equal to the net investment in the lease.

o.1.2 Initial direct costs incurred in respect of finance leases are recognized in the Statement of Profit and Loss in the year in which such costs are incurred.

o.2 Assets taken on Lease

Assets taken on finance lease are capitalized and recognized at the lower of the fair value of the asset and the discounted value of the minimum lease instalments. The lease payments are bifurcated into repayment and interest components, based on a fixed interest rate and instalment as derived from the underlying agreement. The lease commitments are carried under liabilities exclusive of interest. The interest component is recognized in the Statement of Profit and Loss in accordance with the lease instalments.

p Revenue Recognition

p.1 Revenue from sale of products is recognized on transfer of custody to customers. Any difference as of the reporting date between the entitlement quantity minus the quantities sold in respect of crude oil (including condensate), if positive (i.e. under lift quantity) the proportionate production expenditure is treated as prepaid expenses and, if negative (i.e. over lift quantity), a liability for the best estimate of the Company's proportionate share of production expenses as per the JOA / PSA is created in respect of the quantity of crude oil to be foregone in future period towards settlement of the Overlift quantity of crude oil with corresponding charge to Statement of Profit and Loss.

p.2 Sales are inclusive of all statutory levies and any tax liability of the Company that may be paid by the government based on the provisions under agreements governing Company's activities in the respective field/ project.

p.3 Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent periods is recognized as Deferred Revenue in the year of receipt. The same is recognized as revenue in the year in which such gas is actually supplied for the quantity supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.

p.4 Revenue in respect of fixed price contracts is recognized for the quantum of work done on the basis of percentage of completion method. The quantum of work done is measured in proportion of cost incurred to date of the estimated total cost of the contract or based on reports of physical work done.

p.5 Finance income in respect of assets given on finance lease is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

p.6 Revenue in respect of interest on delayed realization is recognized when there is reasonable certainty regarding ultimate collection.

p.7 Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

q Transportation Costs

Any payment made in respect of the quantity of gas short transported, for which the right exists to transport such gas in subsequent periods at no charge, is treated as Deferred Expenditure in the year of payment. The same is treated as cost in the year in which the gas is actually transported for the quantity transported or in the year in which the right to transport such gas ceases, whichever is earlier.

r Employee Benefits

r.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

r.2 Contribution to Provident Fund and Composite Social Security Scheme is made as per the rules of the parent company. The same is paid to funds administered through trusts.

r.3 Provisions for gratuity, leave encashment and other employee benefits are made as per actuarial valuation at the end of the financial year. The Company contributes all ascertained liabilities with respect to gratuity and leave/compensated absences to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LIC) respectively. Other defined benefit schemes are unfunded.

r.4 In respect of local staff in foreign offices of the Company, employees (other than those on deputation/secondment from the Company) of joint ventures (incorporated/ unincorporated)/ subsidiaries, the liabilities for employee benefits are recognized in accordance with the applicable laws of their respective jurisdictions and/or the respective labor agreements with the employees.

s Borrowing Costs

Borrowing Costs specifically identified to the acquisition or constructions of qualifying assets are capitalized as part of such asset till such time when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

t Insurance Claims

The Company accounts for insurance claims as under:-

t.1 In case of total loss of asset by transferring, either the carrying cost of the relevant asset or Insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable - Insurance" on intimation to insurer. In case insurance claim is less than carrying cost, the difference is charged to Statement of Profit and Loss.

t.2 In case of partial or other losses, expenditure incurred/ payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable - Insurance". Insurance policy deductibles are expensed in the year when the corresponding expenditure is incurred.

t.3 As and when claims are finally received from Insurer, the difference, if any, between claims recoverable – insurance and claims received is adjusted to Statement of Profit and Loss.

u Abnormal Rig days' costs

Abnormal Rig days' costs are considered as unallocable and charged to Statement of Profit and Loss.

v Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities, if material, are disclosed by way of notes to the accounts.

w Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961/ other applicable tax laws. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

x Accounting for derivatives

As per the ICAI Announcement, Accounting for Derivatives, other than those covered under AS-11, is done on mark to market basis and the losses are charged to Statement of Profit and Loss. Unrealized gains are ignored.

y Goodwill Amortization

The Company amortizes Goodwill (on consolidation) based on "Unit of Production Method" considering the related Proved Reserves.

z Pre- acquisition cost

Expenditure incurred before the right(s) to explore, develop and produce oil and gas are expensed as incurred.

3. Share Capital

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
Authorized		
2,500,000,000 (Previous year 1,000,000,000) Equity Shares of ₹ 100 each	**250,000.00**	100,000.00
Issued, Subscribed, Called and Paid Up	**100,000.00**	100,000.00
1,000,000,000 (Previous year 1,000,000,000) Equity Shares of ₹ 100 each fully paid up in cash		
(The entire share capital is held by Oil and Natural Gas Corporation Limited and its nominees)		
TOTAL	**100,000.00**	100,000.00

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting priod:

	31 March 2016		31 March 2015	
	No. Million	₹ in Million	No. Million	₹ in Million
Equity Shares				
Outstanding at the beginning of the year	**1,000.00**	**100,000.00**	1,000.00	100,000.00
Changes during the year	-	-	-	-
Outstanding at the end of the year	**1,000.00**	**100,000.00**	1,000.00	100,000.00

The Company has increased its authorized share capital by ₹ 150,000 million in its EGM held on 16 March 2016 and consequently the authorized share capital of the Company is ₹ 250,000 million consisting of 2,500,000,000 equity shares of ₹ 100 each.

b. Terms / rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the meeting.

c. During the year ended 31 March 2016, the amount of dividend per share declared for distribution to equity shareholders was Nil (Previous year: Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Out of the equity shares issued by the Company, the shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

Particulars	31 March 2016		31 March 2015	
	No. Million	₹ in Million	No. Million	₹ in Million
Oil and Natural Gas Corporation Limited, the holding company and its nominees	**1,000.00**	**100,000.00**	1,000.00	100,000.00

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the year of five years immediately preceding the reporting d ate: Nil

e. Details of shareholders holding more then 5% shares in the company.

Particulars	31 March 2016		31 March 2015	
	No. Million	% Holding	No. Million	% Holding
Oil and Natural Gas Corporation Limited, the holding company and its nominees	1,000.00	100%	1,000.00	100%

f. Shares reserved for issue under options: Nil

4. Reserves and Surplus

(₹ in million)

	As at 31 March 2016		As at 31 March 2016	
Capital Reserve				
As per Last Balance Sheet		**174.08**		174.08
Debenture Redemption Reserve (Note 4a)				
As per Last Balance Sheet	**28,675.17**		24,470.11	
Add: Transfer from Surplus	**30,039.12**		23,905.06	
Less: Transfer to General Reserve	-	**58,714.29**	19,700.00	28,675.17
General Reserve				
As per Last Balance Sheet	**37,034.82**		15,966.60	
Adjustment on account of change in Depreciation as per Companies Act 2013	-		(773.33)	
Add: Transfer from Surplus	-		2,141.55	
Add: Transfer from Debenture Redemption Reserve	-	**37,034.82**	19,700.00	37,034.82
Foreign Currency Translation Reserve (Note 4b)		**(3,893.12)**		(4,708.37)
Foreign Currency Monetary Item Difference Account (Note 4c)		**(14,169.13)**		(8,438.69)
Surplus				
As per Last Balance Sheet	**113,154.96**		117,786.09	
Add: Profit/(Loss) for the year	**(20,594.34)**		21,415.48	
Less: Transfer to Debenture Redemption Reserve	**30,039.12**		23,905.06	
Less: Transfer to General Reserve	-	**62,521.50**	2,141.55	113,154.96
TOTAL		**140,382.44**		165,891.97

a. The Debentures Redemption Reserve position for above is as under:-

(₹ in million)

Particulars	Balance as on 31 March 2015	Addition during 2015-16	Transfer to General Reserve during 2015-16	Balance as on 31 March 2016
8.54 % 10 Years Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series II	1,936.12	370.81	-	2,306.93
Total (A)	**1,936.12**	**370.81**	**-**	**2,306.93**
Unsecured 4.625% 10 year USD Bonds - USD 750 millions	3,343.76	5,183.84	-	8,527.60
Unsecured 3.75% 10 year USD Bonds - USD 500 millions	5,951.83	3,677.27	-	9,629.10
Unsecured 2.75% 7 year EUR Bonds - EUR 525 millions	3,611.89	6,023.97	-	9,635.86
Unsecured 3.25% 5 year USD Bonds - USD 750 millions	6,689.38	10,370.49	-	17,059.87
Unsecured 2.50% 5 year USD Bonds - USD 300 millions	7,142.19	4,412.74	-	11,554.93
Total (B)	**26,739.05**	**29,668.31**	**-**	**56,407.36**
Total (A+B)	**28,675.17**	**30,039.12**	**-**	**58,714.29**

b. Foreign Currency Translation Reserve

The Company has been following the Accounting Standard (AS) 11 viz. Effects of Changes in Foreign Exchange Rates (revised 2003) issued by the Institute of Chartered Accountants of India. The exchange variation in respect of investment in non-integral foreign operation is taken to Foreign Currency Translation Reserve. The movement is as under:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening Balance	(4,708.37)	(5,166.16)
Additions during the year	815.25	457.79
Closing Balance	(3,893.12)	(4,708.37)

c. Foreign currency Monetary Item Difference Account:

As per significant accounting policy n.3.1, the details of the exchange differences on long term monetary items are as under:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening Balance	(8,438.69)	(3,925.56)
Add: Exchange Gain/(Loss) during the year	(18,956.01)	(2,510.24)
Less: Exchange Gain/(Loss) amortized during the year	(2,802.57)	(1,255.86)
Less: Exchange Gain/(Loss) capitalized During the year	(10,423.00)	3,258.75
Closing Balance	(14,169.13)	(8,438.69)

5. Long-term borrowings

(₹ in million)

	As at 31 March 2016	As at 31 March 2016
Unsecured		
Non Convertible Redeemable Debenture (Note 5a)	3,700.00	3,700.00
Term Loans (Note 5b.1 & Note 5b.2)		
from banks	117,771.25	111,186.00
Foreign Currency Bonds (Note 5c)	191,964.25	179,593.50
From related parties (Note 5d)		
Oil and Natural Gas Corporation Limited	57,585.20	66,142.28
TOTAL	371,020.70	360,621.78

a. Non Convertible Redeemable Debenture (Rupee Bonds)

(₹ in million)

Particulars	Amount	Date of issue	Due date of redemption	Coupon
Unsecured non-convertible redeemable bonds in the nature of Debentures-Series II of face value ₹ 1 million each	3,700.00	6 January 2010	6 January 2020	8.54%, payable annually in arrears

The above bonds are listed in National Stock Exchange of India Ltd. (NSE). The bonds are guaranteed by Oil and Natural Gas Corporation Limited, the parent company. Further the Company is required to maintain 100% asset cover as per Listing Agreement for Debt Securities. There is no periodical put/ call option. The bonds are repayable in full (bullet repayment) on maturity date.

b.1 Term Loans (from banks)

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015	Date of loan	Date of repayment	Coupon
USD 1,775 million Term loans	-	111,186.00	28 February 2014	27 November 2015	Libor + 1.65% payable quarterly

The Term loan was obtained from a syndicate of nine banks to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko Petroleum Corporation.

b.2 Term Loans (from banks)

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015	Date of loan	Date of repayment	Coupon
USD 1,775 million Term loans	117,771.25	-	27 November 2015	27 November 2020	Libor + 0.95% payable quarterly

The Term loan had been obtained from a syndicate of four banks to refinance the term loan taken to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko Petroleum Corporation.

c. Foreign Currency Bonds

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015	Date of issue	Due date of redemption	Coupon
USD 750 million unsecured non-convertible Reg S Bonds	45,127.50	45,127.50	15 July 2014	15 July 2024	4.625%, payable semi-annually in arrears
USD 500 million unsecured non-convertible Reg S Bonds	27,145.00	27,145.00	7 May 2013	7 May 2023	3.75%, payable semi-annually in arrears
EUR 525 million unsecured Euro Bonds*	43,044.75	43,044.75	15 July 2014	15 July 2021	2.75%, payable annually in arrears
USD 750 million unsecured non-convertible Reg S Bonds	45,127.50	45,127.50	15 July 2014	15 July 2019	3.25%, payable semi-annually in arrears
USD 300 million unsecured non-convertible Reg S Bonds	16,287.00	16,287.00	7 May 2013	7 May 2018	2.50%, payable semi-annually in arrears
Foreign Exchange Difference	15,232.50	2,861.75			
Total	**191,964.25**	**179,593.50**			

The Term loan had been obtained from a syndicate of four banks to refinance the term loan taken to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko Petroleum Corporation.

c1.

(₹ in million)

Particulars	Listed in	Issue Price	Denomination	Due date of redemption	Coupon
USD 750 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.454%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	15 July 2024	4.625%, payable semi-annually in arrears
USD 500 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.950%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	7 May 2023	3.75%, payable semi-annually in arrears
EUR 525 million unsecured Euro Bonds*	Frankfurt Stock Exchange	99.623%	Euro 100,000 and multiples of Euro 1,000 thereafter.	15 July 2021	2.75%, payable annually in arrears
USD 750 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.598%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	15 July 2019	3.25%, payable semi-annually in arrears
USD 300 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.655%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	7 May 2018	2.50%, payable semi-annually in arrears

All the bonds are guaranteed for repayment of principal and payment of interest by Oil and Natural Gas Corporation Limited, the parent company. There is no periodical put/call option. The bonds are repayable in full (bullet repayment) on maturity date.

c.2 The foreign exchange difference in respect of the foreign currency bonds* till 31 March 2016 amounting to ₹ 15,232.50 million (Previous year: ₹ 2,861.75 million) has been amortized over the outstanding tenure of the loan as per the provision of Para 46A of AS 11.

*except the Euro designated bonds which are capitalized to the respective assets of block Area 1, Mozambique.

d. The Company has taken loans from Oil and Natural Gas Corporation Limited (Parent Company) for funding its overseas projects. The outstanding balance of such loans as at 31 March 2016 was ₹ 57,585.20 million (Previous year: ₹ 66,142.28 million). The loan is normally repayable out of the cash flows of the projects for which the respective funds were borrowed. However, ONGC have the right to demand repayment with a notice period of minimum 15 months. No interest on loan has been provided for during the year ended 31 March 2016. ONGC in its Board Meeting has approved Nil interest rate, accordingly interest expenditure on loan from parent company during the year ended 31 March 2016 is Nil (Previous year: Nil).

6. Deferred tax liabilities (Net)

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred tax liabilities (net)	7,168.13	8,066.79
Total	**7,168.13**	8,066.79

a. The Net Deferred Tax Liability of the Company as at 31 March 2016 is ₹ 7,168.13 million (Previous year: ₹ 8,066.79 million). An amount of ₹ 898.66 million (Previous year: ₹ 1,543.05 million) has been adjusted to the current year Statement of Profit and Loss.

b. The item wise details of Net Deferred Tax Liability as at 31 March 2016 accounted for in accordance with Accounting Standard (AS) 22 viz. Accounting for Taxes on Income are as under:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred Tax Assets :		
Other disallowable under Income Tax Act, 1961*	5,565.87	3,822.33
Total Deferred Tax Assets	5,565.87	3,822.33
Deferred Tax Liability :		
Difference in claim of Expenditure u/s 42 of Income Tax Act, 1961	3,552.30	1,620.96
Difference in Net Block of Fixed Assets for Tax	9,181.70	10,268.16
Addition during the year	12,734.00	11,889.12
Net Deferred Tax Liability	7,168.13	8,066.79

* Disallowance u/s 43B, For provisions for doubtful debts and non-moving inventory.

7. Liability for abandonment

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening Balance	54,048.86	30,567.56
Addition during the year	5,036.64	23,481.30
Closing Balance	59,085.50	54,048.86

a. Abandonment liability relates to Sakhalin-1, Russia, Block 06.1 - Vietnam & ACG, Azerbaijan. In respect of liability of Block Sakhalin 1, Russia funding of ₹ 11,779.62 million (Previous year: ₹ 10,773.53 million) and Block 06.1, Vietnam funding of ₹ 377.26 million (Previous year: ₹ 206.66 million) has been made. Refer to Note 21.

8. Other long term liabilities

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Forward exchange contracts - payable	9,266.18	-
Total	**9,266.18**	-

9. Long-term provisions

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for Mark to Market (MTM)*	1,499.70	1,213.38
Total	**1,499.70**	1,213.38

* Attention is also invited to Note 49

10. Trade payables

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Outstanding dues of creditors other than micro, medium and small enterprises		
Deferred Credit on Gas Sales *	68.25	36.63
Trade payables for Supplies / Works	2,716.43	2,434.73
Trade payables for Supplies / Works (In respect of Joint Venture)	26,154.86	24,017.24
TOTAL	**28,939.54**	**26,488.60**

* Deferred credit on gas sales represents amounts received from gas customers against "Take or Pay" obligations under relevant gas sales agreements. The amounts are to be utilized to supply the gas in subsequent year(s) free of charge to such customers.

The Company does not have any outstanding dues of Micro, Small and Medium Enterprises.

11. Other current liabilities

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Foreign Currency Loans		
Non-Recourse Deferred Credit - Unsecured (Note 11a)	1,152.64	1,088.19
(In respect of Joint venture)		
Interest accrued but not due on Debentures, Bonds & Others	2,384.21	2,399.53
Advance from customers / Income received in advance	63.22	317.85
Amount Payable to Operators	1,294.28	2,578.33
Payable to Oil and Natural Gas Corporation Limited	126.66	367.05
Deposits - Unsecured	0.67	2.06
Other Payables	1,461.03	1,780.72
Gross Other Current Liabilities (A)	6,482.71	8,533.73
Less:		
Set-off against provision for non-receipt of instalment (B)	772.15	728.97
Total Other current liabilities (A - B)	5,710.56	7,804.76

a. Non-recourse deferred credit: ₹ 1,152.64 million (Previous year: ₹ 1,088.19 million) represents the non-recourse deferred credit from contractors of pipeline project executed by the Company in Sudan. The Non-recourse deferred credit is repayable from the instalments of pipeline lease rentals from Ministry of Energy and Mining (MEM), Sudan. (Attention is invited to Note 44).

12. Short-term provisions

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for Minimum Work Programme*	1,658.75	-
TOTAL	1,658.75	-

* Provision has been created towards minimum work programme commitment of US$ 25.00 million (Previous year Nil) in respect of Area 43, Libya.

13. Oil & Gas assets

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Gross Cost		
Opening Balance	**221,664.86**	176,095.89
Adjustment during the year (Note 13b)*	**85,499.20**	-
Transfer from Development Wells-in-Progress	**19,414.58**	11,304.32
Transfer from Exploratory Wells-in-Progress	-	815.04
Additions during the year	**15,729.40**	9,968.31
Increase / (Decrease) in estimated Abandonment costs (Note 13a)	**5,036.64**	23,481.30
Total Gross (A)	**347,344.68**	221,664.86
Less: Depletion		
Opening Balance	**91,117.83**	64,249.49
Depletion for the year	**25,478.75**	26,868.34
Total Depletion (B)	**116,596.58**	91,117.83
Less: Provision for impairment (C) **	**5,727.04**	-
Net Oil & Gas Assets (A - B - C)	**225,021.06**	130,547.03

a. The above includes Foreign currency translation differences on the abandonment liability in pursuance to Para 46A of the Accounting Standard-11 (Changes in Foreign Exchange Rates). The details of the related foreign currency translation monetary item difference account are as follows:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Amount remaining to be amortized at the beginning of the year	**5,156.91**	4,696.94
Exchange loss/(gain) arising during the year	**3,221.87**	1,320.84
Less: Depletion on the above charged to Statement of Profit and Loss	**989.83**	860.87
Amount remaining to be amortized at the end of the year	**7,388.95**	5,156.91

b. During the year ended 31 March 2016, in terms of Guidance note on Oil & Gas Producing Activities (revised 2013) and EAC opinion issued by ICAI, the Company has classified net producing property and production & allied facilities as “Oil & Gas Assets” under Tangible assets. Accordingly, the Company has w.e.f. 1 April 2015, made changes in accounting estimates by changing the useful life of certain production & allied facilities reclassified as Oil & Gas assets by linking it with the respective Oil & Gas reserves for the purpose of charging depletion on such Oil & Gas assets. Such change in accounting estimates has been accounted for prospectively as per Accounting Standard (AS)-5. Consequent to such change, the “Depreciation, depletion and amortization expenses” is higher by ₹ 2.79 million and profit before tax lower by ₹ 2.79 million for the year ended 31 March 2016.

* Refer Note 2.2 a.1

** Refer Note 45g

Construction activity in Odoptu field in Sakhalin, Russia

14. Other tangible assets*

(₹ in million)

PARTICULARS	GROSS BLOCK				DEPRECIATION				Net Block	
	As at 1 April 2015	Additions during the year	Deletions/ Adjustments during the year	As at 31 March 2016	As at 1 April 2015	For the year	Deletions/ Adjustments during the year	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
1. Land (Leasehold)										
2. Land (Freehold)										
3. Building										
4. Plant & Equipment	**193,177.05**	280.05	165,685.28	27,771.82	**86,784.65**	1,301.25	64,676.43	23,409.47	4,362.35	106,392.40
5. Furniture & Fixtures	**426.03**	15.61	3.03	438.61	**229.75**	71.18	2.57	298.36	140.25	196.28
6. Vehicles	**578.61**	97.04	102.19	573.46	**386.61**	53.20	12.62	427.19	146.27	192.00
7. Office Equipment	**4,590.98**	48.58	54.60	4,584.96	**3,975.21**	174.73	41.92	4,108.02	476.94	615.77
Total	**206,990.86**	486.77	166,555.16	40,922.47	**93,537.42**	1,993.33	64,823.84	30,706.91	10,215.56	113,453.44
Previous Year	**134,876.82**	72,177.33	63.29	206,990.86	**79,769.06**	13,788.31	19.95	93,537.42	113,453.44	55,107.76
Share in Joint Ventures	**205,045.13**	193.55	166,292.77	38,945.91	**93,265.84**	1,956.00	64,812.66	30,409.18	8,536.73	111,779.29
Previous Year	**132,961.52**	72,144.87	61.26	205,045.13	**79,564.12**	13,721.13	19.41	93,265.84	111,779.29	53,397.40

a. Title to Fixed Assets under Production Sharing Agreements

The Company and Joint Venture Company, in consortium with other partners (Consortium) carries on its business in respect of exploration, development and production of hydrocarbons under agreements with host governments. Several of these agreements, governing Company's activities in the fields / projects, provide that the title to the fixed assets and other ancillary installations shall pass to host Government or its nominated entities either upon acquisition / first use of such assets or upon 100% recovery of such costs through allocation of "Cost Oil" and "Cost Gas" or upon relinquishment of the relevant contract areas or termination of the relevant agreement. However, as per the terms of the agreements, the Consortium and/ or operator has the custody of all such assets and is entitled to use, free of charge all such assets for petroleum operations throughout the term of the respective agreements. The Consortium also has the custody and maintenance of such assets and bears all risks of accidental loss and damage and all costs necessary to maintain such assets and to replace or repair such damage or loss. Under the circumstances, such assets are kept in the records of the Company during the currency of the respective agreements.

* Refer Note 2.2a.1

15. Capital work in progress

(₹ in million)

	Particulars	As at 31 March 2016	As at 31 March 2015
A.	**Development wells in progress**		
	Opening balance	**7,004.86**	6,975.02
	Add: Expenditure during the year	**18,094.21**	11,246.01
	Add: Depreciation during the year	**28.64**	88.15
	Less: Transfer to Oil & Gas assets	**19,414.58**	11,304.32
	Closing Balance	**5,713.13**	7,004.86
	Less: Provision for Development wells in progress (Note 15a)		
	Opening balance	**83.74**	83.74
	Provided during the year	**-**	-
	Total provision for Development wells in progress	**83.74**	83.74
	Development wells in progress (A)	**5,629.39**	6,921.12
B.	**Others**		
	Building		
	Corporate office building, Vasant Kunj, New Delhi	**2,422.09**	1,931.80
	Plant & Equipment		
	Sakhalin-1, Russia	**18,308.23**	8,981.23
	Block 5A, South Sudan	**27.26**	27.26
	Block 06.1, Vietnam	**146.31**	116.17
	ACG, Azerbaijan	**833.73**	631.55
	Offshore Area 1, Mozambique	**9,783.78**	7,377.37
	Office Equipment		
	Corporate office	**296.31**	16.23
	Total Others (B)	**31,817.71**	19,081.61
	Total capital work in progress (A+B)	**37,447.10**	26,002.73

a. The Company has 60% PI in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since 29 April 2012. In view of the same provision had been made in respect of cost of development wells in progress amounting to ₹ 83.74 million (Previous year: ₹ 83.74 million).

16. Exploratory wells in progress

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening balance	**19,165.17**	17,282.25
Add: Expenditure during the year	**3,138.67**	3,446.69
Add: Depreciation during the year	**1.59**	0.39
Less: Transfer to Oil & Gas assets	**-**	815.04
Less: Wells written off during the year	**779.28**	749.12
Closing balance	**21,526.15**	19,165.17
Less: Provision for Exploratory wells in progress (Note 16a and Note 16b)		
Opening balance	**3,425.45**	3,416.85

Particulars	As at 31 March 2016	As at 31 March 2015
Provided during the year	**23.77**	8.60
Total provision for Exploratory wells in progress	**3,449.22**	3,425.45
Exploratory wells in progress	**18,076.93**	15,739.72

a. The Company has 60% PI in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since 29 April 2012. In view of the same provision had been made in respect of cost of exploratory wells amounting to ₹ 1,914.29 million (Previous year: ₹ 1,914.29 million) in respect of the project.

b. In respect of Block Farsi, Iran, the Company in consortium with other partners entered into an Exploration Service Contract (ESC) with National Iranian Oil Company (NIOC) on 25 December 2002. After exploratory drilling, FB area of the block proved to be a gas discovery and was later rechristened as Farzad-B. NIOC announced the Date of Commerciality for Farzad-B as 18 August 2008. However, the Development Service Contract is pending. Provision has been made in respect of the Company's investment in exploration in the Farsi Block amounting to ₹ 1,534.93 million (Previous year: ₹ 1,511.16 million).

17. Other intangible assets (Software)

(₹ in million)

Particulars	As at 31 March 2016				DEPRECIATION				NET BLOCK	
	As at 1 April 2015	Additions during the year	Deletions/ Adjustments during the year	As at 31 March 2016	As at 1 April 2015	For the year	Deletions/ Adjustments during the year	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Software	413.66	83.66	0.51	496.81	312.99	30.60	0.51	343.08	153.73	100.67
Total	**413.66**	**83.66**	**0.51**	**496.81**	**312.99**	**30.60**	**0.51**	**343.08**	**153.73**	**100.67**
Previous Year	365.13	48.67	0.14	413.66	282.40	30.59	-	312.99	100.67	82.73
Share in Joint Ventures	294.65	7.13	0.51	301.27	204.04	12.46	0.51	215.99	85.28	90.61
Previous Year	252.28	42.51	0.14	294.65	178.70	25.34	-	204.04	90.61	73.58

18. Other intangible assets (Acquisition Cost)

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Acquisition cost *		
Block 128, Vietnam	92.54	92.54
Block Area 1 Offshore, Mozambique	156,854.41	142,942.62
Block 1, 2, 3 & 4 (Area 43), Libya	408.90	408.90
Block Satpayev, Kazakhstan	4,753.53	4,753.53
Gross other intangible asset:	162,109.38	148,197.59
Less: Provision for acquisition cost		
Opening balance	408.90	-
Provided during the year **	13,064.98	408.90
Total provision for acquisition cost	13,473.88	408.90
Net other intangible asset	148,635.50	147,788.69

* Acquisition cost relates to the cost for acquiring property or mineral rights of proved or unproved oil and gas properties which are currently under Exploration/ Development stage, such cost which will be transferred to Oil & Gas Asset on commencement of commercial production from the project or written off in case of relinquishment of exploration project.

** Refer Note 45g

19. Non-current investments

(₹ in million)

Particulars	No. of Shares/ Bonds/ Units	Face Value per Share/Bond/ Unit	As at 31 March 2016	As at 31 March 2015
Long-term investments (Fully Paid Up) (at Cost)				
Trade Investments in Shares Unquoted				
In Wholly Owned Subsidiaries:				
ONGC Narmada Limited				
Equity Shares	20,000,000	1 (Naira)	**6.94**	6.94
	(20,000,000)			
ONGC Amazon Alaknanda Limited				
Equity Shares	12,000	1 (USD)	**0.56**	0.56
	(12,000)			
Preference Shares	151,965,012	1 (USD)	**7,013.19**	7,651.57
	(165,797,732)			
Imperial Energy Limited				
Equity Shares	1,450	1 (USD)	**15,574.46**	15,574.46
	(1,450)			
Preference Shares	192,210	1(USD)	**86,744.37**	86,744.37
	(192,210)			
Carabobo One AB	377,678	11.19457 (Euro)	**2,822.02**	2,822.02
Equity Shares	(377,678)			
ONGC (BTC) Limited	1,237,502	1 (USD)	**391.31**	2,339.30
Equity Shares	(7,398,001)			
ONGC Videsh Rovuma Ltd	20,000	1 (USD)	**1.31**	0.19*
Equity Shares	(10,000)			
ONGC Videsh Atlantic Inc.	2,040,000	1 (USD)	**136.72**	1.06
Equity Shares	(40,000)			
In Partially Owned Subsidiaries:				
ONGC Nile Ganga B.V.				
Equity Shares Class A	40	453.78 (Euro)	**8,462.12**	8,462.12
	(40)			
Equity Shares Class B	100	453.78 (Euro)	**21,155.29**	21,155.29
	(100)			
Equity Shares Class C	880	1 (Euro)	**234.25**	234.25

Particulars	No. of Shares/ Bonds/ Units	Face Value per Share/Bond/ Unit	As at 31 March 2016	As at 31 March 2015
	(880)			
Beas Rovuma Energy Mozambique Limited	7,680	No Par Value	**93,710.60**	94,289.92
Equity Shares	(7,680)			
In Jointly Controlled Entity :				
ONGC Mittal Energy Limited				
Equity Shares	24,990,000	1 (USD)	**1,113.72**	1,113.72
	(24,990,000)			
Sudd Petroleum Operating Company				
Equity Shares	24	1 (USD)	**0.01**	0.01
	(24)			
Total			**237,366.87**	240,395.78
Less : Provision for diminution in the value of investment (Note 19a & 38)				
Opening balance			**20,021.11**	19,786.86
During the year			**11,679.71**	234.25
Closing balance			**31,700.82**	20,021.11
Total Non-current investments (Net of provision)			**205,666.05**	220,374.67

* USD 0.30 per share paid up.

Figures in parenthesis as given in this Note represents previous year No. of Shares / Bonds / Units.

a. Provision for diminution in the value of investment is recognised in respect of Imperial Energy Limited, ONGC Narmada Limited, ONGC Nile Ganga BV, ONGC Mittal Energy Limited and Beas Rovuma Energy Mozambique Limited.

During the year the Company has reviewed the carrying value of its long term investments and recognised a provision of ₹ 11,679.71 million (Previous Year: ₹ 234.25 million) towards diminuition in the carrying value.

(Refer para 38)

b. Disclosure related to Investments in Body Corporate

Particulars	As at 31 March 2015	Investment made during 2015-16	Investment redeemed/ sold during 2015-16	As at 31 March 2016
In Wholly Owned Subsidiaries:				
ONGC Narmada Limited				
Equity Shares	6.94	-	-	**6.94**
ONGC Amazon Alaknanda Limited				
Equity Shares	0.56	-	-	**0.56**
Preference Shares	7,651.57	-	638.38	**7,013.19**
Imperial Energy Limited				
Equity Shares	15,574.46	-	-	**15,574.46**
Preference Shares	86,744.37	-	-	**86,744.37**
Carabobo One AB				
Equity Shares	2,822.02	-	-	**2,822.02**
ONGC (BTC) Limited				
Equity Shares	2,339.30	-	1,947.99	**391.31**
ONGC Videsh Rovuma Ltd				
Equity Shares	0.19	1.12	-	**1.31**
ONGC Videsh Atlantic Inc.				
Equity Shares	1.06	135.66	-	**136.72**
In Partially Owned Subsidiaries:				
ONGC Nile Ganga B.V.				
Equity Shares Class A	8,462.12	-	-	**8,462.12**
Equity Shares Class B	21,155.29	-	-	**21,155.29**
Equity Shares Class C	234.25	-	-	**234.25**
Beas Rovuma Energy Mozambique Limited	94,289.92	-	579.32 *	**93,710.60**
Equity Shares				
In Jointly Controlled Entites :				
ONGC Mittal Energy Limited				
Equity Shares	1,113.72	-	-	**1,113.72**
Sudd Petroleum Operating Company				
Equity Shares	0.01	-	-	**0.01**
Total	240,395.78	136.78	3,165.69	**237,366.87**

* Represents refund from the Seller (Videocon Mauritius Energy Limited) on final settlement of the purchase consideration of the equity shares.

20. Long-term loans and advances

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Secured, considered good		
Other loans and advances	**130.78**	138.59
Unsecured, considered good unless otherwise stated		
Other loans and advances	**11.46**	9.42
Deposits	**-**	33.25
Carry Finance to JV Partner *	**5,279.83**	4,469.67
Loans and advances to related parties		
Loans and advances to Key Managerial Personnel	**1.58**	1.22
Subsidiary Companies		
Advance to Imperial Energy	**7,685.85**	6,003.29
Advance to Carabobo One AB Limited	**201.85**	188.95
Advance to Beas Rovuma Energy Mozambique Limited	**7,704.37**	5,033.63
Advance to ONGC Videsh Atlantic Inc.	**92.53**	0.27
Doubtful		
Loans and advances to related party (ONGC Narmada Limited)	**2,083.60**	1,967.09
Other loans and advances (Note 20c)	**5,093.78**	2,570.64
Sub Total (A)	**28,285.63**	20,416.02

Particulars	As at 31 March 2016	As at 31 March 2015
Less : Provision for bad and doubtful loans and advances (B)	7,177.38	4,537.73
Total (A-B)	21,108.25	15,878.29

* Pertains to Block Area 1 Offshore, Mozambique

a. Loans and advances

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Current (Note 26)	857.04	1,055.60
Non Current	21,108.25	15,878.29
Total	21,965.29	16,933.89

b. Loans and advances to related party represent due from key managerial personnel as employee (as per the policy of the Company)

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Current (Note 26)	0.95	1.02
Non Current	1.58	1.22
Total	2.53	2.24

c. Doubtful - Other Loans & Advances

The Company has participating interest (PI) in the exploration Blocks 5A South Sudan, Satpayev Area Kazakhstan, SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar. As per the carry agreements, the Company is financing expenditure in these exploration blocks during the exploratory period (carry loan). The amount of carry loan will be refunded in the event of commercial discovery and production from the projects. The share of expenditure financed by the Company in these Blocks has been accounted for as loan to JV partners.

Provision has been made towards the amount of carry loan of ₹ 5,093.78 million (Previous year: ₹ 2,570.64 million) in view of the blocks being under exploration as there is no certainty of commercial discovery.

The amount of carry loan in Block Satpayev Area Kazakhstan will be refunded by KMG along with accrued interest in the event of commercial discovery and production from the project. The interest on the carry loan has not been accounted for in view of uncertainty of recovery.

21. Deposits / Investments for Site Restoration Fund

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Deposits / Investments for Site Restoration Fund (Note 21a and Note 21b)	12,156.88	10,980.19
Total	12,156.88	10,980.19

a. The investments for site restoration in respect of Sakhalin-1, Russia are invested by J P Morgan Chase Bank N.A., the Foreign Party Administrator (FPA) in accordance with the Portfolio Investment Guidelines provided under the Sakhalin1 Abandonment Funding Agreement entered into by the FPA and the foreign parties to the consortium in accordance with the Production Sharing Agreement (PSA). This investment will be utilized for funding the Abandonment Liability to the Russian State as per the PSA. Attention is invited to Note 7a.

b. The investments in the bank for site restoration of the Block 06.1, Vietnam are invested in accordance with Decision 40/2007/QD-TTg dated 21 March 2007 and Agreement for Abandonment Fund Security between Vietnam Oil and Gas Group and TNK Vietnam B.V. and ONGC Videsh Limited. in respect of Block 06.1, Vietnam dated 10 December 2014 in a separate bank account maintained for abandonment fund purposes. *Attention is invited to Note 7a.

22. Other Non-current assets

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Secured, considered good		
Interest Accrued on Loans to Employees	142.24	147.27
Unsecured, Considered good unless otherwise stated		
Prepaid Expenses	293.73	-
Interest accrued on Site Restoration Fund (Note 22b)	0.68	-
Forward exchange contracts - receivable	8,672.26	-
Discount on Issue of Debenture	382.48	479.10
Deferred Premium on Forward Exchange Contract	637.50	-
Doubtful		
Trade receivables (sundry debtors) realizable beyond 12 months	134.28	126.77
Investment in Lease	4,966.85	4,638.98
Sub Total (A)	15,230.02	5,392.12
Provision for doubtful Trade receivables (sundry debtors)	134.28	126.77
Provision for Investment in lease	4,966.85	4,638.98
Sub Total (B)	5,101.13	4,765.75
Total (A-B)	10,128.89	626.37

a. Other Assets

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Non Current	10,128.89	626.37
Current (Note 27)	21,424.27	22,418.57
Total	31,553.16	23,044.94

b. Interest accrued on Site Restoration Fund is related to Block 06.1, Vietnam. This amount will be adjusted against the payment of last instalment.

23. Inventories

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Finished Goods	11.16	15.05
Stores & Spares	7,732.55	5,700.02
Sub Total (A)	7,743.71	5,715.07
Less: Provision for obsolete and non moving inventories (B)	1,416.72	1,457.41
(In respect of Joint Ventures)		
Total (A-B)	6,326.99	4,257.66

a. In case of joint venture arrangements where the property in crude oil produced does not pass on upto a specific delivery point, the stock of crude oil till such delivery point is not recognized by the Company.

24. Trade receivables

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured, Considered good unless otherwise stated		
Outstanding for a period less than six months from the due date	6,185.87	7,574.22
Total	6,185.87	7,574.22

The company does not have any trade receivables outstanding for a period exceeding six months from the due date.

25. Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
A. Balances with Banks		
in current account	396.30	4,719.46
in deposits *	0.70	1,373.19
B. Cash on hand		
at India	0.60	0.59
at Overseas	0.51	0.49
C. Cash and Bank balances	929.27	1,244.56
(In respect of Joint Ventures)		
Total	1,327.38	7,338.29

* The deposits maintained by the Company with banks comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

26. Short-term loans and advances

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
A. Secured - Considered Good		
Loans and advances to employees	27.98	27.28
Secured - Considered Good (A)	27.98	27.28
B. Unsecured - Considered Good unless otherwise stated		
Loans and advances to employees	11.78	7.15
Advances recoverable in cash or in kind or for value to be received	378.34	305.81
Deposits	57.82	32.72
Loans and advances to related parties		
Receivable from ONGC Nile Ganga BV (Subsidiary Company)	77.63	74.34
Receivable from Petro Carabobo Ganga BV (Subsidiary Company)	-	354.19
Receivable from ONGC Amazon Alaknanda Limited (Subsidiary Company)	14.49	5.42
Receivable from ONGC Mittal Energy Ltd. (Joint Venture)	288.05	247.67
Loans and advances to Key managerial personnel *	0.95	1.02
Unsecured - Considered Good (B)	829.06	1,028.32
Total (A+B)	857.04	1,055.60

* As per the policy of the Company.

a. Attention is invited to Note 20a for Current & Non - Current classification of loans and advances.

27. Other current assets

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Prepaid expenses for Underlift quantity	478.14	345.30
Interest accrued on:		
Deposits with Banks	0.10	0.43
Others	756.34	419.39
Discount on issue of debenture	96.62	96.88
Deferred premium on forward contract	142.88	-
VAT receivable	673.73	681.56
Advances recoverable in cash or in kind or for value to be received	17,671.18	16,380.45
(In respect of Joint Ventures)		
Taxes (Income Tax, Wealth Tax and Fringe Benefit Tax) :		
Advance payment	13,939.82	20,039.19
Sub Total (A)	33,758.81	37,963.20
Less: Provision for tax (B)	12,334.54	15,544.63
Total (A-B)	21,424.27	22,418.57

a. Attention is invited to Note 22a for the Current and Non-Current classification of Other assets.

28. Revenue from operations

(₹ in million)

Particulars	2015-16	2014-15
Sale of products		
Crude Oil	49,238.86	71,130.64
Gas	20,333.59	18,510.39
Condensate	757.60	1,445.39
Total	70,330.05	91,086.42
Less: Value added tax (VAT)	1,117.28	1,222.67
Net revenue from sale of products (A)	69,212.77	89,863.75
Other income from operations (B)	1,904.63	1,591.70
Total (A+B)	71,117.40	91,455.45

29. Other income

(₹ in million)

Particulars	2015-16	2014-15
Interest income :		
On Deposits with banks	19.46	210.87
On Loans and advances to subsidiaries	295.57	220.93
On Loans and advances to employees	8.44	7.89
Other interest income *	1,363.81	-
Profit on redemption/ sale of investments (Note 29a and Note 29b)	1,989.94	2,497.64
Gain on foreign exchange forward contracts	116.24	126.41
Finance lease income	-	11.95
Miscellaneous receipts - manpower and others	2,131.42	1,446.21
Total	5,924.88	4,521.90

a. During the year 13,832,720 shares (Previous year: 61,418,587 shares) of US$ 1 each amounting to ₹ 638.38 million (Previous year: ₹ 2,834.47 million) of the wholly owned subsidiary company ONGC Amazon Alaknanda Ltd. were redeemed for ₹ 1,582.47 million (Previous year: ₹ 6,126.80 million) with a profit of ₹ 670.38 million (Previous year: ₹ 2,364.52 million).

b. During the year 6,160,499 shares (Previous year: 602,000) of US$ 1 each amounting to ₹ 1,947.99 million (Previous year: ₹ 190.36 million) of the wholly owned subsidiary company ONGC (BTC) Limited were redeemed for ₹ 3,670.41 million (Previous year: ₹ 354.84 million) with a profit of ₹ 1,319.56 million (Previous year: ₹ 133.12 million).

*Other interest income includes interest on Income Tax refund amounting to ₹ 1,339.03 million (Previous year: Nil)

30. Production, Transportation, Selling and Distribution expenditure

(₹ in million)

Particulars	2015-16	2014-15
Production expenditure	9,871.70	9,631.81
Transportation expenditure	3,645.71	3,554.71
Royalty	4,447.90	6,441.15
Service tax and other levies	45.02	63.88
Staff expenditure	1,625.97	1,590.17
Rent	356.75	314.59
Repair and maintenance	86.67	114.79
Insurance	121.56	166.85
Business development & other miscellaneous expenses	2,345.97	1,826.60
Total	22,547.25	23,704.55

a. Details of Production, Transportation, Selling and Distribution expenditure

(₹ in million)

Particulars		2015-16	2014-15
(i)	(a) Salaries, Wages, Ex-gratia, etc.	1,345.48	1,223.68
	(b) Contribution to Provident and other Funds	62.71	57.39
	(c) Provision for Gratuity	(7.49)	(2.06)
	(d) Provision for Leave Encashment	113.97	149.49
	(e) Provision of Medical/Terminal Benefits	4.50	(22.14)
	(f) Staff Welfare expenses	106.80	183.81
	Sub-Total	1,625.97	1,590.17
(ii)	Rent	356.75	314.59
(iii)	Electricity, Water and Power	16.50	15.32
(iv)	Repairs to Building	0.04	-
(v)	Repairs to Plant and Machinery	0.02	0.01
(vi)	Other Repairs	86.61	114.78
(vii)	Hire Charges of Vehicles	44.03	26.03
(viii)	Professional charges	322.29	395.24
(ix)	Telephone and Telex	24.68	23.59
(x)	Printing and Stationary	11.73	4.02
(xi)	Business Meeting expenses	25.07	4.61
(xii)	Traveling expenses	195.05	195.25
(xiii)	Insurance	121.56	166.85
(xiv)	Advertisement and Exhibition expenditure	19.75	17.43
(xv)	Statutory Levies	45.02	63.88
(xvi)	Contractual Transportation	3,645.71	3,554.71
(xvii)	Miscellaneous expenditure	155.39	151.56
(xviii)	Other Operating expenditure*	11,403.18	10,625.36
(xix)	Royalty	4,447.90	6,441.15
Total		22,547.25	23,704.55

* The other operating expenditure (sl.no. xviii above) includes the expenses in respect of Sakhalin-1, Russia where the details are not made available by the Operator of the project in above mentioned heads.

b. The operations of the Company are outside India and therefore the eligible Net Profit for the purpose of CSR under the Companies Act, 2013 shall be "Nil" during the year. However, during the current year, the Company has made a total expenditure of ₹ 90.88 million (Previous year: ₹ 83.67 million) towards CSR activities outside India directly or through its joint ventures.

c. Professional charges in Note 30a (viii) includes Statutory auditors remuneration as under:

(₹ in million)

Particulars	2015-16	2014-15
Audit fee	4.23	3.82
Tax Audit fee	0.69	0.34
Certification fee	0.37	0.11
Total	5.29	4.27

d. The expenditure incurred by parent company Oil and Natural Gas Corporation Limited or its subsidiaries on behalf of the Company are accounted for on the basis of debit raised by them for which supporting documents are held by the parent company/subsidiaries.

31. Change in inventories of finished goods *

(₹ in million)

Particulars	2015-16	2014-15
Closing Stock (A)	11.16	15.05
Opening Stock (B)	15.05	14.78
Change in Inventories of finished goods (B-A)	3.89	(0.27)

* As taken, Valued and Certified by the Management.

32. Financing costs

(₹ in million)

Particulars	2015-16		2014-15	
Interest expenses				
Interest on bonds and debentures	10,820.92		9,047.29	
Less: Capitalization	5,033.03	5,787.89	2,929.33	6,117.96
Discount on issue of bonds		96.88		72.44
Foreign exchange fluctuations related to borrowing cost		2,802.57		1,255.86
Total		8,687.34		7,446.26

33. Depreciation, Depletion and Amortization

(₹ in million)

Particulars	2015-16	2014-15
Depreciation on tangible assets	1,993.33	2,797.80
Amortization - intangibles	30.60	30.59
Depletion	25,478.75	26,868.34
Total	27,502.68	29,696.73

34. Other expenses

(₹ in million)

Particulars	2015-16	2014-15
Net (gain) or loss on foreign currency transactions and translation (other than finance cost)	**(2,010.94)**	(1,625.25)
Amortization of deferred premium on forward exchange contracts	**14.77**	-
Provision for Mark to Market (MTM) loss on derivative contracts (Note 49)	**286.32**	107.46
Total	**(1,709.85)**	(1,517.79)

35. Provisions and Write-offs (Net)

(₹ in million)

Particulars	2015-16	2014-15
Provision for investment in lease (net of set off)	**284.69**	243.93
Provisions for doubtful debts/claims	**2,657.69**	901.76
Provision for wells in progress	**23.77**	8.60
Provision for Non-Moving Inventory/(Reversal)	**(40.69)**	243.58
Excess provisions written back	**(171.39)**	(30.45)
Provision for diminution in the value of investments	**-**	234.25
Provision for Minimum Work Programme	**1,658.75**	-
Other write offs (written back)	**192.04**	464.43
Total	**4,604.86**	2,066.10

Provision for doubtful debts/claims includes Provision towards carry loan of ₹ 2,523.28 million (Previous year: ₹ 809.41 million) to KMG, ₹ 0.76 Million (Previous year: ₹ 0.36 million) to Machinery & Solutions Company Limited and ₹ 0.34 million (Previous year: ₹ 5.76 million) to Bangladesh Petroleum Exploration & Production Company Limited in view of the blocks being under exploration and there is no certainty of commercial discovery. Attention is invited to Note 20c.

36. Decrease/(increase) due to Overlift/Underlift quantity

(₹ in million)

Particulars	2015-16	2014-15
Overlift previous year (A)	**288.36**	-
Underlift previous year (B)	**345.30**	428.87
Overlift current year (C)	**-**	288.36
Underlift current year (D)	**478.14**	345.30
Decrease/(increase) due to Overlift/Underlift quantity [(B+C) - (A+D)]	**(421.20)**	371.93

37. Adjustments relating to prior period (Net)

(₹ in million)

Particulars	2015-16	2014-15
Expense		
Survey expenses	**-**	(1,202.69)
Other expenses	**-**	149.99
Sub-Total (A)	**-**	(1,052.70)
Income		
Other income	**-**	160.79
Sub-Total (B)	**-**	160.79
Total (A-B)	**-**	(1,213.49)

38. Exceptional items*

(₹ in million)

Particulars	2015-16	2014-15
Provision for impairment	**18,792.03**	-
Provision for diminution in the value of Investment	**11,679.71**	
Total	**30,471.74**	-

* Refer Note 19a and Note 45g

39. Earning per equity share

(₹ in million)

Particulars	2015-16	2014-15
Profit/ (Loss) for the year (₹ in million)	**(20,594.34)**	21,415.48
No. of equity shares	**1,000,000,000**	1,000,000,000
Basic and Diluted earnings per equity share (₹) (Per equity share of ₹ 100 each)	**(20.59)**	21.42

40.1 Tax assessment

S.No.	Assesment years	Disputed amount (₹ in million)	Particulars
1	1981-82 to 1987-88	94.04	The Company had appealed to Hon'ble Delhi High Court against the decision of Income Tax Appellate Tribunal (ITAT) for the Assessment Years 1981-82 to 1987-88 regarding disallowance of its claim on account of depreciation, development allowance and receipt of interest on delayed payments in respect of Iran Project. However, pending decision the tax demand in this regard was paid by the Company. The matter has been remanded back by the Hon'ble Delhi High Court to the ITAT for fresh hearing vide order dated 30 March 2011 and the proceedings are under progress.
	2002-03	3,958.54	The Company had filed appeals with Commissioner of Income Tax (Appeals) [CIT (Appeals)] against the disallowance of depreciation on acquisition costs of the projects and other expenses as well as addition to income made by the assessing officer ("AO"). CIT (Appeals), while disposing off the appeals for assessment years 2002-03 and 2003-04 , partially deleted the disallowances. The Company filed appeals with the Income Tax Appellate Tribunal (ITAT) against the orders of CIT (Appeals). The Company got favorable decisions from ITAT for AY 2002-03 and AY 2003-04 and the disallowances made by the AO have been deleted by ITAT. While the Department filed appeal in the High Court of Delhi (the "Delhi HC") against the said order of ITAT for 2002-03, the Company also approached the Delhi HC against the said order with the appeal that the acquisition cost be treated as revenue expenditure and both the appeals were dismissed for want of approval of Committee of Dispute . For AY 2003-04, department has filed an appeal before the High Court against the order of CIT (Appeals) which is pending for disposal. For the assessment years 2004-05 and 2005-06, CIT(Appeals) decided the appeals in favor of the Company. The Department filed appeal in ITAT against the CIT (A) orders for AY 2004-05 and 2005-06 which were also been dismissed in favour of the Company. Further, deparment has filed appeals before the High Court for AY 2004-05 and AY 2005-06 against the order of ITAT which is pending for disposal. For the assessment years 2006-07 to 2009-10, CIT (A) has decided the appeals in favour of the Company on most of the grounds amounting in aggregate to ₹ 3657.38 Million, ₹ 5548.92 million, ₹ 4522.32 million and ₹ 4072.49 million in respective years and a closing stock adjustment of ₹ 68.59 million and ₹ 56.61 million which have been allowed as deduction in AY 2008-09 and AY 2009-10 respectively as against the claim made for AY 2007-08 and AY 2008-09. The Company has filed appeals before the ITAT against the addition confirmed by CIT(A) for AY 2006-07 to AY 2008-09 and department has also filed appeals before ITAT against the additions/disallowances deleted by CIT(A) for AY 2006-07 to 2009-10, which are pending for disposal. For assessment years 2010-11, 2011-12 and 2012-13, ONGC Videsh Limited. filed appeals before CIT (Appeals) which are pending for disposal.
2	2003-04	3,006.17	
	2004-05	3,470.29	
	2005-06	3,212.03	
	2006-07	4,683.46	
	2007-08	5,617.51	
	2008-09	4,578.92	
	2009-10	4,072.49	
	2010-11	3,907.63	
	2011-12	3,103.45	
	2012-13	7,604.52	
3	2005-06	709.88	For the assessment year 2005-06, the Company had claimed foreign tax credit under the India-Vietnam double tax avoidance agreement with respect to tax deemed to be paid. The claim was duly supported by report of a reputed accounting and tax firm in Vietnam and accepted by the AO. The CIT had issued an order dated 29 March 2010 holding the allowance of the credit to be erroneous and directed the AO to re-compute the tax payable and allow credit only on the basis of certificate to be obtained by the Company from Vietnam tax authorities. The Company had filed appeal with the Income Tax Appellate Tribunal (ITAT) to contest the same on the ground that the decision of the CIT is not in accordance with the law. The Company had also approached Vietnam Tax Authorities (VTA) for required certificate. However, the AO vide his order dated 21 December 2010 withdrew the credit allowed for ₹ 709.88 million and the resulting demand for ₹ 958.34 million was adjusted by the AO against refunds due to the Company. The Companyfiled appeal before CIT (A) against the order of the AO. Further, the VTA vide their notice dated 5 August 2011 had confirmed the tax amounts for the calendar years 2003 to 2006. CIT (A) vide its order dated 8 July 2013 has allowed the appeal in favour of ONGC Videsh Limited. and directed AO to allow the credit of notional Vietnam taxes deemed to have been paid in Vietnam after verification of details with reference to certificates issued by Vietnamese Tax Authorities (VTA).

S.No.	Assesment years	Disputed amount (₹ in million)	Particulars
4	2006-07	345.38	Assessing Officer had initiated penalty proceedings vide notice dt. 05.03.2015 in view of the addition confirmed by CIT(A) regarding the claim of expenditure amounting to ₹ 1026.08 million on account of additional invoice raised by EPC contractor w.r.t. Sudan Pipeline Project. The proceedings were completed and the AO has issued a penalty order dt. 30.03.2015 and also raised a demand of ₹ 345.38 million by levying penalty on the said addition. The Company has filed an appeal before CIT(A) against the order of AO, which is pending for disposal. The Company has not accepted the penalty imposed by AO and no provision has been created for additional tax liability, if any, on this account.
5	For the amount of contingent liability in respect of disputed tax demand attention is invited to Note 48.1		

40.2 Disclosure pursuant to the clause 28 of the Listing Agreement:

(₹ in million)

Particulars	Loans & Advances in the nature of Loans			
	Outstanding as at 31 March 2016	Maximum Amount outstanding during the year 2015-16	Outstanding as at 31 March 2015	Maximum Amount outstanding during the year 2014-15
a) Loans and advances to Subsidiaries				
i) Advance to Imperial Energy Limited	**7,685.85**	**7,692.80**	6,003.29	6,075.74
ii) Advance to Carabobo One AB	**201.85**	**202.05**	188.95	191.18
iii) Loan to ONGC Narmada Limited	**2,083.60**	**2,085.48**	1,967.09	1,967.09
iv) Advance to ONGC (BTC) Limited	**-**	**-**	-	292.07
v) Advance to Beas Rovuma Energy Mozambique Limited	**7,704.37**	**7,704.37**	5,033.63	5,033.63
vi) Advance to ONGC Videsh Atlantic Inc.	**92.53**	**104.04**	0.27	0.27
b) Loans to Associates				
Advance to ONGC Mittal Energy Limited	**-**	**-**	-	-
c) Loans having no repayment schedule or repayment schedule of more than seven years to employees	**178.83**	**190.75**	183.25	183.25
d) Loans having no interest or interest below section 186 of Companies Act, 2013	**NA**	**NA**	NA	NA
e) Investment by the loanee (borrower) in the shares of parent company and subsidiary company	**-**	**-**	-	-
f) Loan to firms/companies in which Directors are interested	**-**	**-**	-	-

41. Details of Joint Ventures

The details of Company's joint ventures as at 31 March 2016 are as under:

S. No.	Name of the Project and Country of Operation	Loans & Advances in the nature of Loans	Other Consortium Members*	Operator*	Project status
1	Azeri, Chirag, Guneshli Fields (ACG), Azerbaijan, Offshore	2.72%	BP - 35.79% SOCAR - 11.65% Chevron - 11.27% INPEX - 10.96% Statoil - 8.56% Exxon-Mobil - 8.00% TPAO - 6.75% Itochu - 4.30%	BP	The project is under development and production
2	Block 06.1, Vietnam, Offshore	45%	TNK Vietnam B.V. - 35% Petro Vietnam - 20%	TNK Vietnam B.V.	The project is under development and production.
3	Block 5A, South Sudan, Onshore	24.125%	Petronas - 67.875% Nilepet - 8%	Joint Operatorship by all partners.	The project is under exploration, development and production. Currently under temporary shutdown due to security situation.
4	Block A-1, Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% GAIL – 8.5% KOGAS – 8.5%	Daewoo	The project is under Production.*
5	Block A-3, Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% GAIL – 8.5% KOGAS – 8.5%	Daewoo	The project is under production
6	Block Area 1, Mozambique, Offshore	10%	Anadarko- 26.5% MITSUI-20% ENH-15% BPRL-10% BREML-10% # PTTEP-8.5%	Anadarko	The project is under development
7	Block B2, Myanmar, Onshore	97%	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration
8	Block CPO-5, Colombia, Onshore	70%	PetroDorado – 30%	ONGC Videsh	The project is under exploration
9	Block EP3, Myanmar, Onshore	97%	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration
10	Block Farsi, Iran, Offshore	40%	IOC – 40% OIL - 20%	ONGC Videsh	The project 's exploration period ended on 24 June 2009. Agreement on MDP and Development service contract is pending.
11	Block RC-8, Colombia, Offshore	40%	Ecopetrol - 40% Petrobras – 20%	ONGC Videsh	The project is under exploration
12	Block RC-9, Colombia, Offshore	50%	Ecopetrol - 50%	Ecopetrol	The project is under exploration
13	Block RC-10, Colombia, Offshore	50%	Ecopetrol - 50%	ONGC Videsh	The project is under exploration
14	Block SS 04, Bangladesh, Offshore	45%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
15	Block SS 09, Bangladesh, Offshore	45%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
16	Block SSJN-7, Colombia, Onshore	50%	Pacific - 50%	Pacific	The project is under exploration
17	Block XXIV, Syria, Onshore	60%	IPRMEL - 25% Triocean-15%	IPR MEL	The project is under force majeure
18	Sakhalin -1, Russia, Offshore	20%	ENL - 30% SODECO - 30% SMNG - 11.5% R N Astra - 8.5%	ENL	The project is under development and production.
19	Satpayev Contract Area 3575, Kazakhstan, Offshore	25%	KMG – 75%	SOLLP	The project is under exploration
20	SHWE Offshore Pipeline, Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% GAIL – 8.5% KOGAS – 8.5%	Daewoo	Pipeline is completed and is under use for transportation of gas from Blocks A1/A3, Myanmar

* Abbreviations used:

Anadarko - Anadarko Petroleum Corporation; BAPEX - Bangladesh Petroleum Exploration & Production Company Limited; BP - British Petroleum; BPRL - Bharat PetroResources Limited; BREML - Beas Rovuma Energy Mozambique Limited; Chevron - Chevron Corporation; Daewoo - Daewoo International Corporation; Ecopetrol - Ecopetrol S.A, Colombia; ENH - Empresa Nacional De Hidrocarbonates, E.P.; ENL - Exxon Neftegas Limited; Exxon Mobil - Exxon Mobil Corporation; GAIL - GAIL (India) Limited; INPEX - INPEX Corporation; IOC - Indian Oil Corporation Limited; IPRMEL - IPR Mediterranean Exploration Limited; Itochu - Itochu Corporation; KMG - Kazmunaygas; KOGAS - Korea Gas Corporation; MITSUI - MITSUI & Co. Limited; MOGE - Myanmar Oil and Gas Enterprise; Nilepet - Nile Petroleum Corporation; OIL - Oil India Limited; ONGC Videsh - ONGC Videsh Limited; Pacific - Pacific Stratus Energy, Colombia; Petrobras - Petrobras Colombia Ltd; PetroDorado - PetroDorado South America S.A.; Petronas - Petronas Carigali Overseas SdnBhd; Petrovietnam - Vietnam Oil and Gas Group; PTTEP - PTT Public Company Limited; SMNG - Sakhalinmorneftegas Shelf; SOCAR - State Oil Company of Azerbaijan Republic; SODECO - Sakhalin Oil Development Company Limited; SOLLP - Satpavey Operating LLP; STATOIL - Den Norske Stats Oljeselskap; TPAO - Turkiye Petrolleri A.O; Triocean - TriOcean Mediterranean

ONGC Videsh holds 60% shares in BREML.

42.1 Company's share in Joint Ventures

The Company's share of assets, liabilities, income and expenses in the Joint Ventures till 31 March 2016 as furnished by the operator has been incorporated in the financial statements as given below:

(₹ in million)

JV Name	Net tangible and intangible assets	Oil & Gas assets	Capital work in progress	Exploratory and Development wells in progress	Current assets	Cash and Bank balance	Liabilities	Income	Expenditure* (Including depreciation)
A. Audited as of 31 March, 2016									
Port Sudan Product Pipeline, Sudan	-	-	-	-	-	3.68	1,504.16	-	84.68
Block Farsi, Iran	0.03	-	-	-	-	0.87	-	-	32.97
Block SS-04, Bangladesh	0.02	-	-	-	-	16.77	-	-	38.53
Block SS-09, Bangladesh	0.02	-	-	-	-	17.88	-	-	67.40
Total (A)	0.07	-	-	-	-	39.20	1,504.16	-	223.58
B. Audited as of 31 December, 2015									
Sakhalin 1, Russia	6,529.00	169,567.10	18,308.23	257.90	16,054.07	385.98	74,075.46	42,040.66	28,496.38
Block 06.1, Vietnam	156.44	3,528.30	146.31	380.49	2,160.79	24.61	2,559.39	7,647.13	4,342.38
Block RC-8, Colombia	0.11	-	-	-	-	27.10	65.50	-	3.53
Block RC-9, Colombia	-	-	-	-	-	0.27	(6.67)	-	245.91
Block RC-10, Colombia	0.19	-	-	-	-	145.17	132.23	-	105.15
Block CPO 5, Colombia	0.25	-	-	1,797.21	63.22	12.25	505.20	-	1,264.10
Block SSJN-7, Colombia	-	-	-	-	16.93	-	-	-	8.57
Total (B)	6,685.99	173,095.40	18,454.54	2,435.60	18,295.01	595.38	77,331.12	49,687.79	34,466.02
C. Unaudited									
ACG, Azerbaijan	37.74	31,370.55	833.73	414.86	289.17	-	6,861.93	9,182.33	16,731.33
Block A-1, Myanmar	43.38	9,580.17	-	4,700.88	459.36	104.08	1,799.00	5,654.09	2,234.47
Block A-3, Myanmar	0.48	2,712.37	-	-	402.88	120.87	586.53	4,713.34	2,454.69
SHWE Offshore Pipeline, Myanmar	1,403.41	-	-	-	189.13	42.50	(32.47)	1,904.63	394.22
Block EP 3, Myanmar	-	-	-	-	-	-	-	-	125.60
Block B2, Myanmar	-	-	-	-	-	-	-	-	159.35
Area 1, Mozambique	117.52	-	153,573.21	15,129.74	385.07	-	659.33	-	13,064.98
Block 5A, South Sudan	327.28	8,262.57	27.26	1,012.39	32.96	14.81	759.99	-	372.36
Block Satpayev, Kazakhstan	5.47	-	4,753.53	12.85	55.52	12.43	(0.59)	-	3,108.53
Block 24, Syria	0.67	-	-	-	4.03	-	524.42	-	0.26
Total (C)	1,935.95	51,925.66	159,187.73	21,270.72	1,818.12	294.69	11,158.14	21,454.39	38,645.79
Total	8,622.01	225,021.06	177,642.27	23,706.32	20,113.13	929.27	89,993.42	71,142.18	73,335.39

* Expenditure accounted for based on joint interest billing statements from the respective operators. In the accounts of the Company, the amount is reflected after netting off as per the Accounting Standard (AS) 27 viz. Financial Reporting of interests in Joint Ventures.

The Company's share of assets, liabilities, income and expenses has been converted into the reporting currency at the average exchange rate over the period for which the details are provided by the Operators. Generally the details are provided by the operators on monthly basis except in respect of Sakhalin-1, Russia where the details are provided by the operator on quarterly basis.

42.2 Block 5A, South Sudan

ONGC Videsh has 24.125% participating interest in Block 5A, South Sudan. The project is jointly operated by the partners PETRONAS Carigali Nile Ltd, ONGC Videsh Limited and Nilepet, the national oil company of South Sudan. In view of security situation due to internal conflict in the country all petroleum operation in Block 5A is temporarily shut down from 22 December 2013. However, recently ceasefire agreement has been signed by the warring parties and the negotiations are in progress under the mediation of African Union and Inter Government Authorities on Development (IGAD). All actions are taken by the partners to resume production swiftly on security clearance by the host government.

42.3 Satpayev Block, Kazakhstan

Effective 12 October 2011, the Company has acquired 25% Subsoil use rights from National Company JSC KazMunayGas (KMG) in the Contract for Exploration and Production of Hydrocarbon (Contract) in Satpayev Area which was signed on 15 June 2010 between Ministry of Oil and Gas (MOG), Kazakhstan and KMG. KMG now holds subsoil use rights of 75% in the Block. The amounts paid toward initial payment and signature bonus amounting to ₹ 4,753.53 million (Previous year: ₹ 4,753.53 million) are disclosed as Capital-Work-in-Progress in Note 18, as part of acquisition cost to be treated as per the final status of the project.

42.4 Blocks SS-04 & SS-09, Bangladesh

ONGC Videsh in consortium with Oil India Ltd. (OIL) was awarded two shallow water Blocks SS-04 and SS-09 located in the offshore area in People's Republic of Bangladesh on 20 August 2013 and the Production Sharing Contracts (PSCs) of the Blocks were signed by Government of People's Republic of Bangladesh represented by Ministry of Power, Energy and Mineral Resources, Bangladesh Oil and Gas & Mineral Corporation (PETROBANGLA), consortium of ONGC Videsh & OIL and Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) on 17 February, 2014. PSCs envisage the exploration, appraisal, development and production of petroleum in contract area of the Blocks SS-04 and SS-09 measuring 7,269 square kilometers and 7,026 square kilometers respectively. The exploration term consists of 8 (eight) consecutive contract years comprising 5 (five) years as Initial exploration term and 3 (three) years as subsequent exploration term. ONGC Videsh is the operator of the Blocks and has PI of 45%, OIL holds 45% PI and BAPEX 10% PI. BAPEX's 10% PI shall be carried by ONGC Videsh and OIL in proportion to their respective interests in respect of all expenditure up to the date of first commercial discovery and shall be re-paid from the first available cost recovery petroleum and profit petroleum.

42.5 Block EP-3 & B-2, Myanmar

On 8 August 2014 ONGC Videsh signed PSC with Myanma Oil and Gas Enterprise for two onshore Blocks EP-3 (Thegon-Shwegu Area) and B-2 (Zeputanung-Nandaw area). ONGC Videsh Ltd. holds 97% share in both the blocks and carries 3% share of Machinery and Solutions Company Ltd.

43. The required disclosure under the Accounting Standard 15 (Revised) is given below:

a. Brief Description: A general description of the type of Defined Benefit Plans is as follows:

(i) **Earned Leave (EL) Benefit**

Accrual - 30 days per year

Encashment while in service-75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days.

(ii) **Good Health Reward (Half Pay Leave)**

Accrual-20 days per year

Encashment while in service–Nil

Encashment on retirement - 50% of Half Pay Leave balance.

(iii) **Gratuity**

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 1.00 million.

(iv) **Post-Retirement Medical Benefits**

Upon payment of one time prescribed contribution by the employees, full medical benefits on superannuation and on voluntary retirement subject to the completion of minimum 20 years of service and 50 years of age.

(v) **Terminal Benefits**

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Travelling Allowance.

b. **The amounts recognized in financial statements for defined contribution plans are as under:**

(₹ in million)

Defined Contribution Plans	Expense Recognized during 2015-16		Contribution for Key Management Personnel during	
	2015-16	2014-15	2015-16	2014-15
Contributory Provident Fund	50.28	46.48	0.92	0.78
Employee Pension Scheme -95	6.82	6.55	0.05	0.02
Composite Social Security Scheme	4.08	2.99	0.11	0.10

c. **The amounts recognized in the balance sheet for post-employment benefit plans are as under:**

(₹ in million)

Particulars	Gratuity		Leave		Post-Retirement Medical Benefits		Terminals Benefits	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Present Value of Funded Obligation	**98.25**	80.08	**295.29**	280.43	**19.53**	15.27	**1.03**	0.79
Fair Value of Plan Assets	**107.79**	-	**181.31**	151.73	**-**	-	**-**	-
Funded status / Difference	**9.54**	(80.08)	**(113.98)**	(128.70)	**(19.53)**	(15.27)	**(1.03)**	(0.79)
Unrecognized Past Service Cost	**-**	-	**-**	-	**-**	-	**-**	-
Net Asset / (Liability)	**9.54**	(80.08)	**(113.98)**	(128.70)	**(19.53)**	(15.27)	**(1.03)**	(0.79)

d. The amounts included in the fair value of plan assets of gratuity fund in respect of Reporting Enterprise's own financial instruments and any property occupied by, or other assets used by the reporting enterprise are ₹ Nil (Previous Year ₹ Nil)

e. **Reconciliation showing the movements during the year in the net liability recognized in the balance sheet:**

(₹ in million)

Particulars	Gratuity		Leave		Post-Retirement Medical Benefits		Terminals Benefits	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening defined benefit obligation	**80.08**	68.69	**280.43**	293.30	**15.27**	14.59	**0.79**	0.67
Current Service Cost	**18.89**	16.72	**93.59**	114.82	**3.85**	3.26	**0.20**	0.17
Past Service Cost	**-**	-	**-**	-	**-**	-	**-**	-
Interest Cost	**6.81**	6.01	**23.84**	25.66	**1.30**	1.28	**0.07**	0.06
Actuarial Losses (Gains)	**0.98**	(11.35)	**(65.91)**	(80.11)	**(0.88)**	(3.86)	**(0.03)**	(0.11)
Exchange differences on foreign plans	**-**	-	**-**	-	**-**	-	**-**	-
Less: Benefits paid	**(8.51)**	-	**(36.66)**	(73.24)	**-**	-	**-**	-
Closing defined benefit obligation	**98.25**	80.08	**295.29**	280.43	**19.53**	15.27	**1.03**	0.79

f. **The total expenses recognized in the statement of profit and loss are as follows:**

(₹ in million)

Particulars	Gratuity		Leave		Post-Retirement Medical Benefits		Terminals Benefits	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Current Service Cost	**18.89**	16.72	**93.59**	114.82	**3.85**	3.26	**0.20**	0.17
Interest on Obligation	**6.81**	6.01	**23.84**	25.66	**1.30**	1.28	**0.07**	0.06
Expected Return on plan assets	**(9.49)**	-	**(15.18)**	(16.03)	**-**	-	**-**	-
Net Actuarial Losses / (Gains) recognized in year	**2.02**	(11.35)	**(67.65)**	(81.45)	**(0.88)**	(3.86)	**(0.03)**	(0.11)
Past Service Cost	**-**	-	**-**	-	**-**	-	**-**	-
Losses (Gains) on curtailments and settlement	**-**	-	**-**	-	**-**	-	**-**	-
Total included in 'Employee Benefit Expense'	**18.23**	11.38	**34.60**	43.00	**4.26**	0.68	**0.24**	0.12

g. **Principal actuarial assumption at the balance sheet date (expressed as weighted averages):**

(₹ in million)

Particulars	Gratuity		Leave		Post-Retirement Medical Benefits		Terminals Benefits	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Discount Rate	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%
Expected Return on Plan Assets	8.80%	-	9.50%	-	-	-	-	-
Annual Increase in healthcare costs	-	-	-	-	-	-	-	-
Annual Increase in Salary	5.50%	6.00%	5.50%	6.00%	5.50%	6.00%	5.50%	6.00%

h. **Effect of 1.00 % increase and decrease in inflation rate on Post Retirement Medical Benefits as at 31 March 2016:**

(₹ in million)

Particulars	Gratuity		Leave	
	2015-16	2014-15	2015-16	2014-15
a) Effect on service and interest cost	**1.20**	1.10	**(0.81)**	(0.68)
b) Effect on Present Benefits Obligation (Closing)	**4.68**	3.70	**(2.69)**	(2.11)

The employees of the Company are deputed from the parent company Oil and Natural Gas Corporation Limited and governed as per the parent company policy for employee benefit. All the scheme relating to employee benefits are administered by the parent company and accordingly the year end provision of employee benefits from the current year are settled by transfer to the parent company.

44. Khartoum - Port Sudan Pipeline Project

a. Disclosure pursuant to Accounting Standard (AS) 19 viz. Leases

The Company had completed the 12"X741 Kms multi-product pipeline from Khartoum refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (GOS) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same to GOS during the financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%.

The payment under the contract with GOS were scheduled to be received over a period of 10 years including a moratorium of one year from the date of the contract (30 June 2004) in 18 equal semi-annual instalments along with lease rental. The lease period commenced from the date of handing over of the pipeline system and will continue till all payments by GOS are completed. All titles in the works and the transportation system shall vest in the Company and the title shall pass to GOS in proportion to the payments made by GOS against total payments due to Company under the contract. Further, subject to regular payments on due dates by GOS to the Company, GOS shall have the exclusive right to use and operate the pipeline system and the Company shall not assign, transfer, sub-let, sub-contract, mortgage or create any rights to any third party or encumbrances or make any disposition to any third party. Accordingly, the amount of net investment in the lease (i.e. aggregate of Minimum Lease Payments minus unearned Finance Income) is recognized and recorded as receivables under the lease. The finance income thereon has been recognized based upon the pattern reflecting the constant periodic rate of return on the outstanding net investment in the lease.

The first 11 instalments under the contract due till 30 December 2010 have been received. Amount towards the 12th to 18th instalments of ₹ 6,514.91 million, USD 98.19 million (Company's share ₹ 5,863.42 million, USD 88.37 million) due on 30 June 2011, 30 December 2011, 30 June 2012, 30 December 2012, 30 June 2013, 30 December 2013 and 30 June 2014 respectively have not yet been received.

b. The disclosure in accordance with the Accounting Standard (AS) 19 viz. Leases is as under

(₹ in million)

Particulars	31 March 2016		31 March 2015	
	Gross	Net	Gross	Net
a) Reconciliation between the total gross investment in the lease and the present value of minimum lease payments as at year end				
- Not later than one year	-	-	758.36	746.41
- Later than one year and not Later than five years	-	-	-	-
- Later than five years	-	-	-	-
Total	-	-	758.36	746.41
b) Unearned Finance Income	-		11.95	
c) Unguaranteed residual value accruing to Company's benefit	Nil		Nil	
d) Accumulated provision for uncollectible minimum lease payments receivable	Nil		Nil	
e) Contingent rents recognized in the statement of profit and loss for the year	Nil		Nil	
f) General description of the significant leasing arrangement	As described in Para above		As described in Para above	
g) Accounting Policy followed in respect of initial direct costs	As per Accounting Policy O.1.2		As per Accounting Policy O.1.2	

c. Contractual Dispute

The EPC contractor which executed the project claimed additional costs aggregating to ₹ 2,464.90 million (Previous year: ₹ 2,327.08 million) (USD 37.15 million), Company's 90% share being ₹ 2,218.41 million (Previous year: ₹ 2,094.37 million) (USD 33.44 million), which have not been accepted by the Company. The Company, in turn has filed a claim as per the contract with GOS for their approval of an aggregate amount of ₹ 3,064.04 million (Previous year: ₹ 2,892.72 million) (USD 46.18 million), Company's share being ₹ 2,757.64 million (Previous year: ₹ 2,603.44 million) (USD 41.56 million). No revenue in respect of the claim on GOS has been recognized since the claim has not been accepted by GOS. ONGC Videsh has served a pre-arbitral notice on GOS which is a requirement prior to initiating any legal proceedings in Sudan. The EPC contractor has initiated arbitration with a claim for ₹ 1,691.26 million (Previous year: ₹ 1,596.69 million) (USD 25.49 million) plus interest against the Company. Pending settlement with the EPC contractor, an amount of ₹ 1,522.14 million (Previous year: ₹ 1,437.02 million) (USD 22.94 million) being the Company's 90% share out of total claim of ₹ 1,691.26 million (Previous year: ₹ 1,596.69 million) (USD 25.49 million) has been accounted as liability in the relevant year of claim. The arbitration award has been pronounced on 27 March, 2014. The award provides for the payment of ₹ 219.82 million (USD 3.31 million) and interest ₹ 16.93 million (USD 0.26 million). The parties have filed petitions in the high court reiterating respective averments and seeking revision/modifications of the arbitral award. Since the company has already accounted for the claim amount as expenditure for ₹ 1,522.14 million (Previous year ₹ 1,437.02 million) (USD 22.94 million), the differential of the amount accounted for and award will be adjusted subject to directions/decision of the honorable court. The interest amount would be treated / accounted on clarity of the issue based on directions/decision of the honorable court in this regard. Mean while the company has paid ₹ 19.26 million (USD 0.31 million) against the arbitration award, Company share ₹ 17.33 million (USD 0.28 million) and ₹ 8.54 million (USD 0.14 million), Company share ₹ 7.69 million (USD 0.13 million) against interest @4.5% on 31 October 2014 to EPC contractor to avoid excess interest burden on the awarded amount.

45. Details of Reserves (As approved by Reserve Estimate Committee (REC)

Disclosure under Guidance Note on Accounting for "Oil and Gas Producing Activities" (Revised)

a. Company's share of Proved Reserves on the geographical basis is as under

Project	Details	Crude Oil* (MMT)		Gas (BCM)		Total Oil Equivalent** (MMToe)	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Block 5A, South Sudan***	Opening	5.886	5.886	-	-	5.886	5.886
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	5.886	5.886	-	-	5.886	5.886
Sakhalin-1, Russia	Opening	36.605	36.905	72.780	73.354	109.385	110.259
	Addition	2.947	1.236	0.334	0.044	3.281	1.280
	Ded/Adj	-	-	-	-	-	-
	Production	1.742	1.536	0.588	0.618	2.330	2.154
	Closing	37.810	36.605	72.525	72.780	110.335	109.385
Block 06.1, Vietnam	Opening	0.535	0.566	2.789	4.562	3.324	5.128
	Addition	0.057	-	3.250	-	3.307	-
	Ded/Adj	-	0.001	-	-	-	0.001
	Production	0.029	0.030	1.659	1.773	1.688	1.803
	Closing	0.563	0.535	4.380	2.789	4.943	3.324
Block-24, Syria	Opening	1.803	1.803	-	-	1.803	1.803
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-		-	-	-	-
	Closing	1.803	1.803	-	-	1.803	1.803
Block-A1 & A3, Myanmar	Opening	-	-	11.029	11.691	11.029	11.691
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	0.891	0.662	0.891	0.662
	Closing	-	-	10.138	11.029	10.138	11.029
ACG, Azerbaijan	Opening	7.904	8.763	-	-	7.904	8.763
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.847	0.859	-	-	0.847	0.859
	Closing	7.057	7.904	-	-	7.057	7.904
Total	Opening	52.733	53.923	86.598	89.607	139.331	143.530
	Addition	3.004	1.236	3.584	0.044	6.588	1.280
	Ded/Adj	-	0.001	-	-	-	0.001
	Production	2.618	2.425	3.138	3.053	5.756	5.478
	Closing	53.119	52.733	87.044	86.598	140.163	139.331

* Crude Oil includes Condensate.
** For calculating "Oil Equivalent" 1,000M3 of Gas has been taken to be equal to 1 MT of Crude Oil.
*** Block 5A, South Sudan is under shut down. Please refer Note 41.2
Variations in totals, if any, are due to internal summation and rounding off.

b. Company's share of Proved Developed Reserves on the geographical basis is as under

Project	Details	Crude Oil* (MMT)		Gas (BCM)		Total Oil Equivalent** (MMToe)	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Block 5A, South Sudan***	Opening	2.565	2.565	-	-	2.565	2.565
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	2.565	2.565	-	-	2.565	2.565
Sakhalin-1, Russia	Opening	12.848	11.903	9.691	10.276	22.539	22.179
	Addition	5.091	2.481	1.065	0.033	6.156	2.514
	Ded/Adj	-	-	(0.001)	-	(0.001)	-
	Production	1.742	1.536	0.588	0.618	2.330	2.154
	Closing	16.197	12.848	10.169	9.691	26.366	22.539
Block 06.1, Vietnam	Opening	0.536	0.566	2.789	4.563	3.325	5.129
	Addition	0.057	-	3.250	-	3.307	-
	Ded/Adj	0.001	-	-	0.001	0.001	0.001
	Production	0.029	0.030	1.659	1.773	1.688	1.803
	Closing	0.563	0.536	4.380	2.789	4.943	3.325
Block-24, Syria	Opening	0.049	0.049	-	-	0.049	0.049
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	0.049	0.049	-	-	0.049	0.049
Block-A1 & A3, Myanmar	Opening	-	-	5.654	2.614	5.654	2.614
	Addition	-	-	1.953	3.702	1.953	3.702
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	0.891	0.662	0.891	0.662
	Closing	-	-	6.716	5.654	6.716	5.654
ACG, Azerbaijan	Opening	2.928	3.384	-	-	2.928	3.384
	Addition	0.504	0.403	-	-	0.504	0.403
	Ded/Adj	-	-	-	-	-	-
	Production	0.847	0.859	-	-	0.847	0.859
	Closing	2.585	2.928	-	-	2.585	2.928
Total Reserves, OVL	Opening	18.926	18.467	18.134	17.453	37.060	35.920
	Addition	5.652	2.884	6.268	3.735	11.920	6.619
	Ded/Adj	0.001	-	-0.001	0.001	-	0.001
	Production	2.618	2.425	3.138	3.053	5.756	5.478
	Closing	21.959	18.926	21.265	18.134	43.224	37.060

* Crude Oil includes Condensate.
** For calculating "Oil Equivalent" 1,000M3 of Gas has been taken to be equal to 1 MT of Crude Oil.
*** Block 5A, South Sudan is under shut down. Please refer Note 41.2
Variations in totals, if any, are due to internal summation and rounding off.

c. The year-end reserves of the company are estimated by the Reserves Estimation Committee (REC) of the holding company Oil and Natural Gas Corporation Limited (ONGC), which follows international reservoir engineering procedures consistently.

The Company estimates its reserves annually and the reserves are disclosed at the end of the financial year i.e. as at 1st of April. The Company is having partnership with global majors in various producing and discovered assets across the world having participating interest as non-operator, joint operator and operator. The Operator/Joint Operating Company of each asset evaluate reserves of the respective asset on an annual basis, and the Company's representatives interact dynamically through Technical/Operating committee meetings, wherein estimates of reserves are discussed and finalized. On receipt of the approved reserves for each asset, the Company discusses the same with reserves estimate experts from E&D Directorate of the parent company ONGC and put up the same for deliberation and approval by Reserves Estimate Committee (REC) under the Chairmanship of Director (Exploration) of the parent company ONGC.

d. Volumetric estimation is the main process of estimation which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it from a given date forward, under existing economic conditions, by established operating practices and under existing government regulations. As the field gets matured with reasonably good production history, performance methods such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves. For many of the producing and discovered assets in which the Company has stake, the concerned Operators and Joint Operating Companies uses the services of third party agencies for due diligence and audit. Additionally, the Company gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation. The last auditing was carried out for the estimates as at 1 October 2013 in which about 98% of the reserves of the Company were audited.

e. The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New Inplace Volume and Ultimate Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, appraisal activities lead to revision in estimates due to new subsurface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro physical parameters, updating of static & dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitates revision in estimation of reserves.

f. Reserves of the company as at 1 October 2013 were certified by Third Party Certifying (TPC) agencies. The certified 1P reserves were lower by 45.538 MMT with the estimates of Reserve Estimates Committee (REC) of the parent company i.e. Oil and Natural Gas Corporation Limited (ONGC) in respect of certain projects. However, the management of the Company did not agree with the assumptions of the TPC in this regard and adopted the reserves figures as approved by the REC.

g. **Impairment**

Considering the prevailing low global oil prices as an impairment indicator, the Company has carried out impairment test as at 31 March 2016 in respect of Cash Generating Units (CGUs) based on value in use method. The Company identified impairment in respect of two CGUs and made a provision for impairment of ₹ 18,792.03 Million (Previous Year: Nil) during the year. The current year provision for impairment is considered as exceptional item . Refer Note 38.

The following 2P reserves of the respective CGUs have been considered for the impairment assessment:

CGU	Proved and Probable Reserves (MMToe) as at 31 March 2016
ACG, Azerbaijan	16.770
Area-1,Mozambique	214.785
Block 06.1, Vietnam	8.330
Block CPO-5, Colombia	1.206
Block-5A, South Sudan	6.311
Blocks A1, A3, Myanmar	19.406
Sakhalin-1, Russia	145.599

46. Segment Information:

(₹ in million)

Particulars	Asia		FSU Countries*		Latin America		Africa		Unallocated		Grand Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
External Sales	19,918.52	18,136.20	51,198.88	73,319.25	-	-	-	-	-	-	71,117.40	91,455.45
Inter Segment Sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	19,918.52	18,136.20	51,198.88	73,319.25	-	-	-	-	-	-	71,117.40	91,455.45
Results	10,024.17	7,454.70	6,363.91	33,329.03	(1,634.76)	207.88	(14,752.69)	(1,804.59)	(14,541.11)	-	(14,540.48)	39,187.02
Segment Results	10,024.17	7,454.70	6,363.91	33,329.03	(1,634.76)	207.88	(14,752.69)	(1,804.59)	(14,541.11)	-	(14,540.48)	39,187.02
Unallocated corporate, Expenses (Net)	-	-	-	-	-	-	-	-	450.27	(21,630.22)	450.27	(21,630.22)
Operating profit or (Loss)	10,024.17	28,757.57	6,363.91	32,571.30	(1,634.76)	1,397.06	(14,752.69)	(1,958.14)	(14,090.84)	(23,867.90)	(14,090.21)	36,899.88
Interest Expenses	-	-	-	-	-	-	-	-	8,687.34	7,446.26	8,687.34	7,446.26
Interest and other income	4.37	4.56	1,224.94	475.88	1.63	0.88	-	11.95	4,693.94	4,028.62	5,924.88	4,521.90
Income & other Tax	-	-	3,421.51	11,017.00	-	-	-	-	320.16	1,543.05	3,741.67	12,560.05
Profit / (loss) from ordinary activities	10,028.54	28,762.13	4,167.34	22,030.18	(1,633.13)	1,397.94	(14,752.69)	(1,946.19)	(18,404.40)	(28,828.59)	(20,594.34)	21,415.48
Net profit / (Loss)	10,028.54	28,762.13	4,167.34	22,030.18	(1,633.13)	1,397.94	(14,752.69)	(1,946.19)	(18,404.40)	(28,828.59)	(20,594.34)	21,415.48
Other Information	-	-	-	-	-	-	-	-	-	-	-	-
Segment Assets	26,338.47	35,747.01	261,474.30	512,945.28	1,873.79	2,417.38	191,060.48	182,695.94	-	-	480,747.04	733,805.61
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	243,984.46	(9,669.47)	243,984.46	(9,669.47)
Total Assets	26,338.47	35,747.01	261,474.30	512,945.28	1,873.79	2,417.38	191,060.48	182,695.94	243,984.46	(9,669.47)	724,731.50	724,136.14
Segment Liabilities	5,656.77	16,724.97	72,622.98	376,933.79	188.18	820.32	6,626.59	162,080.77	-	-	85,094.52	556,559.86
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	399,254.54	(98,315.68)	399,254.54	(98,315.68)
Total Liabilities	5,656.77	16,724.97	72,622.98	376,933.79	188.18	820.32	6,626.59	162,080.77	399,254.54	(98,315.68)	484,349.06	458,244.17
Capital Expenditure	2,951.91	3,508.55	44,851.87	33,159.81	161.99	699.47	18,351.10	1,958.49	868.15	250.68	67,185.01	39,577.01
Recouped cost	3,768.46	4,830.29	24,620.85	25,081.34	1,086.10	262.13	190.52	929.88	44.99	40.89	29,710.92	31,144.53
Non cash Exp.	-	-	-	-	-	-	-	-	-	-	-	-

Information about Secondary Business Segments (Product-wise):

Net Revenue from	2015-16	2014-15
Crude Oil and Natural Gas **	69,212.77	89,863.75
Income From Hire Charges Of Gas Pipelines	1,904.63	1,591.70
Lease Finance Income	-	11.95

* FSU countries means Former Soviet Union Countries

** Crude Oil includes Condensate.

Notes:

i. Segments have been identified and reported taking into account the organization and management structure for internal reporting and significantly different risk and return perception in different geographical regions. These have been re-organized into five segments viz. Asia, FSU Countries, Latin America, Africa and Unallocated.

ii. The segment revenue in the business segment (Product-wise) is revenue from sale of Crude Oil and Natural Gas and Lease Finance Income.

iii. Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. "Unallocated" includes common expenditure incurred for all the segments and expenses incurred at corporate level.

iv. Revenue figures are shown as net of VAT.

47. Capital Commitments towards

Capital Commitments based upon the details provided by the operators: ₹ 102,391.39 million (Previous Year: ₹ 104,595.45 million). Contracts remaining to be executed on capital account amounting to ₹ 232.96 million (Previous Year: ₹ 660.56 million) towards the Company share for office building at Vasant Kunj, Delhi wherein the contracts have been awarded by parent company to various agencies and the Company is to share the costs.

48. Contingent Liabilities

48.1 Claims against the Company/disputed demands not acknowledged as debt

(₹ in million)

Particulars	31 March 2016	31 March 2015
Income-tax (Refer (b) below)	9,071.72	6,702.88
Service-tax (Refer (c) below)	61,026.75	57,891.29
Claims of contractors in arbitration/court	1,022.28	1,012.06
Total	71,120.75	65,606.23

a. The above claims/demands are at various stages of litigation and in the opinion of the Company, the same are not tenable.

b. Disputed income-tax demands (excluding cases decided in favor of Company at Income Tax Appellate Tribunal (ITAT) level and addition made by the Assessing Officer (AO) on protective basis): ₹ 9,071.72 million (Previous Year: ₹ 6,702.88 million). Against disputed tax demands, ₹ 5,684.75 million (Previous Year: ₹ 10,325.91 million) has been paid by the Company or adjusted by the authorities against refunds due to the Company from time-to-time. Attention is invited to note 40.1.

c. The Service Tax Department had issued a demand cum show-cause notice dated 11 October 2011 requiring the Company to show cause why service tax amounting to ₹ 28,163.14 million (including Education Cess and SHE cess), the interest on such amount and penalty should not be demanded and recovered from the Company. Service Tax Department has calculated these tax amounts based on foreign currency expenditure reported in the Company's financial statements covering the reporting periods from 1 April 2006 to 31 December 2010 and contending that these expenses represent business auxiliary services rendered by the Company foreign branches and operator of the Joint Venture/ Consortium to the Company. Subsequently, five more demand-cum-show cause notices have been issued based on similar contentions covering the period upto 31 March 2015 to show cause why service tax amounting to ₹ 32,863.61 million (including Education Cess and SHE cess), the interest on such amount and penalty should not be demanded and recovered from the Company. The Company is of the view that the said service tax is not payable and contesting the same. No provision is required to be made in the accounts at this stage.

48.2 Contingent Liabilities in respect of Bank Guarantees

(₹ in million)

Particulars	31 March 2016	31 March 2015
Contingent liabilities In respect of bank guarantees/standby letters of credit obtained from banks for performance guarantee/bid bonds	6,198.01	6,769.19
Total	6,198.01	6,769.19

48.3 Performance Guarantee

(₹ in million)

Particulars	31 March 2016	31 March 2015
Performance Guarantee towards Carabobo 1 Project, on behalf of Petro Carabobo Ganga B.V. to Government of Venezuela (US$ 1,154.75 million, Previous year: US$ 1,154.75 million)	76,617.66	72,333.54
Total	76,617.66	72,333.54

48.4 The Company has issued Performance Guarantee to meet the performance obligation in respect of concessionary contract for Block BC-10, Brazil on behalf of its wholly owned subsidiary ONGC Campos Ltda (OCL) which is holding 27% PI in the block. The Company is confident that OCL will be able to honor its obligations.

48.5 All known contingent liabilities have been indicated.

49. Derivative instruments and unhedged foreign currency exposure

49.1 ONGC Videsh has entered into cross currency swap transactions with various banks whereby it has swapped the principal and interest amounts payable towards Rupee Bonds issued in domestic markets into USD liability. The swap position outstanding as at 31 March 2016 was as follows:

Underlying	Notional Principal Amount (₹ Million)	Notional Principal Amount (USD Million)	Termination Date
8.54 % 10 Years Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series II	3,700.00	73.93	6 January 2020
Total	3,700.00	73.93	

The above swap position outstanding as at 31 March 2016 has been revalued on that date based on Mark-to-market (MTM) positions reported by the counter-party banks. The Mark-to-market position as at 31 March 2016 amounted to ₹ 1,499.70 million (Previous year: ₹ 1,213.38 million).

49.2 ONGC Videsh further entered into plain vanilla forward contracts covering Euro 105 million out of the principal amount of 2.75% Euro 525 million Bonds 2021 in February / March 2016. The details as on 31st March 2016 are as under:

Underlying	Notional Principal Amount (₹ Million)	National Principal Amount (USD Million)	Termination Date
2.75% Euro 525 million Bonds 2021	105.00	127.66	15July2021
Total	**105.00**	**127.66**	

The business of the Company is carried out entirely outside India. The revenues of the Company are received entirely in foreign currency and substantially all the expenses are incurred in foreign currency. Accordingly, the Company has swapped the Bonds issued in Indian Rupees and Euros into USD so as to align the currency of its liabilities and assets, thereby hedging the resulting exposure.

50. Expenditure in foreign currency:

(₹ in million)

Particulars	2015-16	2014-15
Professional and Consultation Fee	375.80	757.16
Interest	5,471.04	6,661.69
Others	62,674.62	18,743.68

51. Earnings in foreign currency (accrual basis):

(₹ in million)

Particulars	2015-16	2014-15
Export/ Sales (incl. advance received/ adjusted)*	70,330.05	91,086.42
Interest	337.18	250.55
Others	6,149.89	6,097.86

* Attention is also invited to Note 28

52. Information as per Accounting Standard (AS) 18 viz. Related Party Disclosures is given below (excluding with State Controlled Entities):

(₹ in million)

Particulars				2015-16	2014-15
Income from Rendering Services	779.20	234.03	NA	**1,013.22**	1,182.80
Expenses on Receiving Services	58.40	-	NA	**58.40**	-
Reimbursement of expenditure incurred on behalf of ONGC Videsh	305.49	-	NA	**305.49**	788.22
Reimbursement of expenditure incurred on behalf of Related Party	1.39	43.26	NA	**44.65**	336.36
Interest Income	295.57	-	NA	**295.57**	234.72
Dividend Income	-	-	NA	**-**	-
Lease Income	-	-	NA	**-**	11.95
Redemption of Shares	5,252.88	-	NA	**5,252.88**	6,481.64
Loan Taken from Related Party	-	-	-	**-**	48,031.78
Loan Repaid to Related party	-	-	-	**-**	34,804.43
Loans Given to Related party	3,686.81	-	-	**3,686.81**	5,061.41
Loans Repaid by Related party	10.37	-	0.89	**11.26**	398.52
Capital Contribution	(442.54)	-	NA	**(442.54)**	-
Remuneration	NA	NA	24.73	**24.73**	22.60
Sitting Fees	NA	NA	0.44	**0.44**	1.66

Name of related parties and description of relationship

a) Subsidiaries	ONGC Nile Ganga B.V., The Netherlands
	ONGC Nile Ganga (San Cristobal) B.V. , The Netherlands
	ONGC Campos Ltda, Brazil
	ONGC Caspian E&P B.V., The Netherlands
	ONGC Satpayev E&P B.V., The Netherlands
	ONGC Nile Ganga (Cyprus) Ltd., Cyprus
	ONGC Narmada Limited, Nigeria
	ONGC Amazon Alakananda Limited, Bermuda
	Imperial Energy Limited, Cyprus
	Imperial Energy Tomsk Limited, Cyprus
	Imperial Energy (Cyprus) Limited, Cyprus
	Imperial Energy Nord Limited, Cyprus
	Imperial Frac Services (Cyprus) Limited, Cyprus
	Redcliffe Holdings Limited, Cyprus
	San Agio Investments Limited, Cyprus
	Biancus Holdings Limited, Cyprus
	LLC Sibinterneft, Russian Federation
	LLC Allianceneftegaz, Russian Federation
	LLC Nord Imperial, Russian Federation
	LLC Rus Imperial Group, Russian Federation
	Carabobo One AB, Sweden
	Petro Carabobo Ganga B.V., The Netherlands
	ONGC BTC Limited, Cayman Islands
	Beas Rovuma Energy Mozambique Limited, British Virgin Islands
	ONGC Videsh Atlantic Inc., USA
	ONGC Videsh Rovuma Limited, Mauritius
b) Joint Ventures	Block 06.1, Vietnam
	Sakhalin 1, Russia
	Block 5A, South Sudan
	Block A-1, Myanmar
	Block A-3, Myanmar
	SHWE Offshore Pipeline, Myanmar
	Block Farsi, Iran
	Block XXIV, Syria
	ONGC Mittal Energy Limited, Cyprus
	Block RC-8, Colombia
	Block RC-9, Colombia
	Block RC-10, Colombia
	Block SSJN-7, Colombia
	Block CPO-5, Colombia
	Satpayev Project, Kazakhstan
	Azeri, Chirag & Gunashli Fields Project, Azerbaijan (ACG)
	Block SS-04, Bangladesh
	Block SS-09, Bangladesh
	Block Area 1, Mozambique
	Block B2, Myanmar
	Block EP3, Myanmar
c) Key Management personnel	Mr. Narendra K Verma, Managing Director
	Mr. S P Garg, Director (Finance)
	Dr. Anil Bhandari, Director (Exploration) upto 31.07.2015
	Mr. P K Rao, Director (Operations)
	Mr. Sudhir Sharma, Director (Exploration) from 01.08.2015
	Mr. Shyam Saran, Independent Director upto 04.06.2015
	Prof. Sanjay G Dhande, Independent Director upto 04.06.2015
	Prof. Shyamal Roy, Independent Director upto 04.06.2015
	Mr. S B Singh, Company Secretary

53. Previous year figures have been re-grouped/re-arranged and nomenclature re-named wherever necessary to make them comparable with current year classification

Sd/-
(S B Singh)
Company Secretary

Sd/-
(S P Garg)
Director (Finance)

Sd/-
(Narendra K Verma)
Managing Director

As per our report of even date attached.

For Prem Gupta & Co.
Chartered Accountants
Firm Regn No. 000425N

For B C Jain & Co.
Chartered Accountants
Firm Regn No. 001099C

Place: New Delhi
Dated: 21 May 2016

Sd/-
(Rajan Uppal)
Partner (M No. 097379)

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR Million)

S. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	ONGC Nile Ganga B.V.	31st March 2016	USD	4.64	177,414.28	192,754.11	15,335.19	118,776.94	10,330.88	(2,230.64)	(169.38)	(2,061.26)	-	100% for A&B and 77.491% for Class C
2	ONGC Campos Ltd.	31st March 2016	BRL; 1 USD = BRL 3.5589	19,595.61	(22,198.04)	61,267.58	63,870.01	-	10,153.45	(3,724.15)	(1,265.42)	(2,458.73)	315.51	100%
3	ONGC Nile Ganga (Cyprus) Limited	31st March 2016	USD	0.15	9,446.86	9,447.54	0.53	-	-	(0.51)	(18.27)	17.76	-	100%
4	ONGC Nile Ganga (San Cristobal) B.V.	31st March 2016	USD	3.85	38,427.38	38,947.41	516.18	11,982.16	95.51	(458.26)	-	(458.26)	917.37	100%
5	ONGC Satpayev E&P B.V. *	31st March 2016	USD	-	-	-	-	-	-	1.45	-	1.45	-	100%
6	ONGC Caspian E&P B.V.	31st March 2016	USD	2.57	7,722.66	8,093.26	368.03	1.05	-	427.47	89.92	337.55	1,466.88	100%
7	ONGC Amazon Alaknanda Limited	31st March 2016	USD	10,083.67	37,651.62	52,531.45	4,796.15	-	8,092.84	(822.32)	(399.68)	(422.64)	-	100%
8	ONGC Narmada Limited	31st March 2016	USD	10.33	(2,023.44)	122.46	2,135.57	-	-	-	-	-	-	100%
9	ONGC (BTC) Limited	31st March 2016	USD	82.11	(77.43)	87.71	0.21	-	3,584.06	3,582.51	81.78	3,500.74	-	100%
10	Carabobo One AB	31st March 2016	Euro: 1 USD = 1.14 Euro	301.75	3,069.75	3,563.58	192.09	3,560.61	-	(1.74)	-	(1.74)	-	100%
11	Petro Carabobo Ganga B.V.	31st March 2016	USD	1.43	11,280.03	11,434.04	152.58	1.61	67.78	(237.37)	2.15	(239.51)	-	100%
12	Imperial Energy Limited	31st March 2016	USD	14.37	37,031.12	39,540.16	(2,494.67)	-	-	9,868.47	4.19	9,864.28	-	100%
13	Imperial Energy Tomsk Limited	31st March 2016	USD	-	144.29	148.86	(4.57)	-	-	76.83	-	76.83	-	100%
14	Imperial Energy (Cyprus) Limited	31st March 2016	USD	-	3,627.93	3,631.93	(3.99)	-	-	1.71	-	1.71	-	100%
15	Imperial Energy Nord Limited	31st March 2016	USD	-	15,062.36	15,085.90	(23.54)	-	-	1.45	-	1.45	-	100%
16	Biancus Holdings Limited	31st March 2016	USD	-	265.56	2,940.03	(2,674.47)	-	-	(85.54)	-	(85.54)	-	100%
17	Redcliffe Holdings Limited	31st March 2016	USD	-	890.47	892.43	(1.96)	-	-	1.59	-	1.59	-	100%
18	Imperial Frac Services (Cyprus) Limited	31st March 2016	USD	-	12.60	12.08	(0.14)	-	-	(47.45)	-	(47.45)	-	100%
19	San Agio Investments Limited	31st March 2016	USD	-	(3.02)	383.63	(385.99)	-	-	53.78	-	53.78	-	100%
20	LLC Sibinterneft	31st March 2016	USD	-	(347.30)	109.01	(456.31)	-	-	72.91	-	72.91	-	55.90%
21	LLC Allianceneftegaz	31st March 2016	USD	-	(1,622.67)	2,907.86	(4,530.53)	-	(3,605.41)	798.22	-	798.22	-	100%
22	LLC Nord Imperial	31st March 2016	USD	-	2,786.83	3,849.13	(1,062.30)	-	(1,967.54)	147.12	-	147.12	-	100%
23	LLC Rus Imperial Group	31st March 2016	USD	-	(91.07)	296.29	(387.36)	-	(139.57)	32.36	-	32.36	-	100%
24	LLC Imperial Frac Services	31st March 2016	USD	-	38.33	41.32	(2.98)	-	(562.22)	(376.42)	16.79	(393.20)	-	50%
25	Beas Rovuma Energy Mozambique Ltd.	31st March 2016	USD	35,057.52	(14,576.25)	33,640.22	13,158.95	-	-	(189.19)	-	(189.19)	-	60%
26	ONGC Videsh Rovuma Ltd.	31st March 2016	USD	1.33	(1.19)	0.35	0.21	-	-	(0.79)	-	(0.79)	-	100%
27	ONGC Videsh Atlantic Inc.	31st March 2016	USD	135.35	1.90	232.21	94.96	-	-	4.70	1.78	2.92	-	100%

Notes:

Exchange Rate

1 For Balance sheet items - 1 USD = 66.35

2 For Profit & loss items - 1 USD = 65.48

* Subsidiaries Liquidated during the year 2015-16

1 ONGC Satpayev E&P B.V. has been liquidated w.e.f. 01 February 2016.

Part "B": Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

S. No.	Name of Associates / Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			Amount of Investment in Joint Venture	Extend of Holding %	No.				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	ONGC Mittal Energy Limited	31st December 2014	1,113.72	49.98%	24990000 Shares	According to PI	N/A	(9,060.16)	-	N/A
2	Petrolera Indovenezolana S.A.	31st March 2016	12,691.83	40.00%	40000 shares	According to PI	N/A	25,573.28	3,596.17	N/A
3	South-East Asia Gas Pipeline Company Limited	31st March 2016	1.11	8.35%	16694 shares	According to PI	N/A	4,063.94	1,557.23	N/A
4	Tamba B.V.	31st March 2016	18,403.70	27.00%	1620 shares	According to PI	N/A	25,280.68	2,807.93	N/A
5	Himalaya Energy (Syria) B.V.	31st March 2016	22,378.96	50.00%	45000 shares	According to PI	N/A	59.05	45.12	N/A
6	Petro Carabobo S.A.	31st March 2016	1.70	11.00%	11000 shares	According to PI	N/A	102.18	2,549.83	N/A
7	Carabobo Ingeniería y Construcciones, S.A.	31st March 2016	0.00	37.93%	275 shares	According to PI	N/A	-	-	N/A

Sd/-
(S B Singh)
Company Secretary

Sd/-
(S P Garg)
Director (Finance)

Sd/-
(Narendra K Verma)
Managing Director

As per our report of even date attached.
For Prem Gupta & Co.
Chartered Accountants

Sd/-
(Rajan Uppal)
Partner (M No. 097379)
Firm Regn No. 000425N

For B C Jain & Co.
Chartered Accountants

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)
Firm Regn No. 001099C

Place: New Delhi
Dated: 21 May 2016

Vietnam

Pledge being administered during Swachhta Pakhwada

C&AG Comments Consolidated

C&AG COMMENTS - CONSOLIDATED

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ONGC VIDESH LIMITED FOR THE YEAR ENDED 31 MARCH 2016.

The preparation of consolidated financial statements of ONGC Videsh Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act. This is stated to have been done by them vide their revised Audit Report dated 5 July 2016

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of ONGC Videsh Limited for the year ended 31 March 2016. Further, section 139(5) and 143(6) (b) of the Act are not applicable to companies mentioned in Annexure A being incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the

Comptroller & Auditor General of India

(Suparna Deb)
Director General of Commercial Audit
& ex-officio Member, Audit Board - II,
New Delhi

Place: New Delhi
Date: 13.07.2016

Annexure-A

Detail of companies in which supplementary audit is not conducted

Sl. No.	Name of Comapny	Type of Company
1.	ONGC Nile Ganga B.V., Rotterdam (ONGBV)	Subsidiary
2.	ONGC Narmada Limited (ONL)	Subsidiary
3.	ONGC Amazon Alaknanda Limited (OAAL)	Subsidiary
4.	Imperial Energy Limited	Subsidiary
5.	Carabobo one AB, Stockholm	Subsidiary
6.	ONGC BTC Limited	Subsidiary
7.	Beas Rovuma Energy Mozambique Limited (BREML)	Subsidiary
8.	ONGC Mittal Energy Limited (OMEL)	Joint Venture
9.	ONGC Videsh Rovuma Limited (OVRL)	Subsidiary
10.	ONGC Videsh Atlantic, Inc. (OVAI)	Subsidiary

Brazil

Sailaway at Azerbaijan field

Auditor's Report Consolidated

Independent Auditor's Report-Consolidated

To the Members
ONGC Videsh Limited

This revised Independent Auditor's Report is being issued in supersession of our earlier Independent Auditor's Report dated May 21, 2016. Revised report is issued in view of apparent typographical errors as pointed out by C & AG of India in our earlier report. Further we confirm that there is no change in the opinion as expressed earlier and also none of the figures have undergone any change in the consolidated financial statements of the Company as at 31 March, 2016.

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of "ONGC Videsh Limited" (hereinafter referred to as "the Holding Company") and its nine subsidiaries and one joint controlled entity (hereinafter referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for preparation of these consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "The Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies and Joint Controlled Entity included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

   We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

   We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 6(a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2016 and their consolidated loss and their consolidated Cash Flows for the year ended on that date.

Emphasis of matter

5. We draw attention to Note no. 40 regarding provisions for impairment in respect of 3 Cash Generating Units (CGUs). The Company has made provision for impairment of ₹30,471.74 million. We have relied upon the results of the Impairment test conducted by the Management.

   Our opinion is not modified in respect in this matter.

Other Matters

6. (a) We did not audit the financial statements of 7 subsidiaries, whose financial statements reflect total assets of ₹436,874.84 million as at 31 March, 2016, total revenues of ₹50,494.02 million and net cash outflows amounting to ₹4150.48 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors (Refer 'Annexure-1' attached).

   (b) We did not audit the financial statements of 2 subsidiaries and 1 jointly controlled entity, whose financial statements reflect total assets of ₹1,319.19 million as at 31 March, 2016, total revenues of ₹3,584.18 million and net cash outflows amounting to ₹162.91 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on such unaudited financial statements (Refer 'Annexure-1' attached). In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

   (c) For the purpose of preparation of consolidated financial statements, the accounts prepared of subsidiaries companies and jointly controlled entity incorporated outside India, under local GAAP have been restated by the management of the said entities so that they conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to consolidated financial statements under the generally accepted accounting principles in India. The reporting packages made for this purpose have been audited by the other auditor of 7 Subsidiaries and the audit report of the other auditor has been furnished to us. In case of 2 unaudited subsidiaries and 1 jointly controlled entity, reporting packages has been prepared by the Management and relied thereupon by us. Our opinion on the consolidated financial statements, in so far as it relates to these entities, is based on the aforesaid audit report of the other auditor.

   (d) Considering the facts that actual operations are performed outside India and operator is responsible for maintaining the original books of account on behalf of all the members as per Joint Operating Agreement, we have conducted our audit by relying on such information furnished by the operator based on the audited statements or where joint controlled entities are not audited, relying upon the information furnished by the management.

   (e) We have placed reliance on technical/commercial evaluation by the management in respect of categorization of expenditure on projects in exploratory and development wells in progress, oil & gas assets and capital work in progress, well status, allocation of cost incurred on them, depletion of oil & gas assets on the basis of Proved Developed hydrocarbon Reserves as estimated by the Reserve Estimation Committee (REC) of the Parent Company, provision for abandonment cost, allocation of depreciation/amortization on Tangible assets/Intangible Assets and liabilities against agreed minimum work program.

   Our opinion is not modified in respect of other matters.

Report on Other Legal and Regulatory Requirements

7. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable for Consolidated Financial Statements in view of paragraph 2 of the said order.

8. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, the "Annexure A" on the directions and sub-directions by the Comptroller and Auditor General of India.

9. **As required by Section 143 (3) of the Act, we report that:**

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st

March 2016, taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the Holding Company incorporated in India are disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls in Holding Company, refer to our separate report in "Annexure B"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements have disclosed the impact of pending litigations on the consolidated financial position of the Group. (Refer Note No.51 to the Financial Statements)

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts. (Refer Note No.52 to the Financial Statements)

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India.

For Prem Gupta & Co
Chartered Accountants
Firm Registration Number 000425N

Sd/-
(Rajan Uppal)
Partner (M No 097379)

For B.C Jain & Co.
Chartered Accountants
Firm Registration Number 001099C

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Place : New Delhi
Dated : 05th July, 2016

Annexure-A to the Auditors Report

Annexure referred to in paragraph 8 of our report of even date to the members of ONGC Videsh Limited for the year ended 31 March 2016

Sl No	A) Directions	Action Taken	Impact on financial statement
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Company has a perpetual lease hold land and lease deed is in the name of the Company	Nil
2	Please report whether there are any cases of waiver/ write offs of debts/loans/interest etc., if yes, the reasons therefore and the amount involved.	According to information and explanation given to us there are no any cases of waiver/write offs of debts/loans/ interest etc.,	Nil
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities	The Company does not have any inventory in India. As informed to us, records in respect of inventories lying with third parties in non-operated/operated projects outside India are properly maintained by the consortium and / or operator on behalf of the consortium partners. As informed by the management, no assets have been received by the Company as gift from Govt. or other authorities.	Nil
	B) Sub Directions		
1	Acquisition cost of oil and gas property in exploration and development stage were being taken to acquisition cost under the respective category. Now, acquisition cost relating to projects under exploration or development are to be initially accounted for as 'Capital work-in-progress'. Such costs would then be capitalized by transferring to 'Producing Property' when a well is ready to commence commercial production. In case of abandonment/ relinquishment such costs are written off. The same may be verified.	As per accounting policy c.1.2 of the Company "Acquisition cost relating to projects under exploration or development are initially accounted as capital work in progress. Such costs are capitalized by transferring to Oil & Gas Assets when a well is ready to commence commercial production. Acquisition costs relating to unsuccessful exploration projects are written off on relinquishment."	Nil
2	Independent verification may be made of information/ inputs furnished to Actuary, viz number of employees, average salary, retirement age and assumptions made by the Actuary regarding discount rate, future cost increase, mortality rate, etc for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment, post-retirement medical benefits etc.	The employees of the Company are deputed from the parent company Oil and Natural Gas Corporation Limited and governed as per the parent company policy for employee benefit. All the scheme relating to employee benefits are administered by the parent company and accordingly the year end provision of employee benefits for the current year are settled by transfer to the parent company. (Also refer Note No. 42 to Consolidated Financial Statements)	Nil

For Prem Gupta & Co
Chartered Accountants
Firm Registration Number 000425N

Sd/-
(Rajan Uppal)
Partner (M No 097379)

For B.C Jain & Co.
Chartered Accountants
Firm Registration Number 001099C

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Place : New Delhi
Dated : 05th July, 2016

Annexure-B to the Auditors Report

Annexure referred to in paragraph 9(f) of our report of even date to the members of ONGC Videsh Limited for the year ended 31 March 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the company as of and for the year ended on 31st March, 2016, we have audited the internal financial controls over financial reporting of "ONGC Videsh Limited" ("the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, which is the company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Prem Gupta & Co
Chartered Accountants
Firm Registration Number 000425N

Sd/-
(Rajan Uppal)
Partner (M No 097379)

For B.C Jain & Co.
Chartered Accountants
Firm Registration Number 001099C

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Place : New Delhi
Dated : 05th July, 2016

Annexure-I

SUMMARY OF THE FINANCIAL INFORMATION (*) OF SUBSDIARIES AND JOINTLY CONTROLLED ENTITY AS OF THE YEAR ENDED 31 MARCH, 2016

(₹ in million)

Sl. No.	Name of Subsidiaries / Joint Venture	Total Assets as of 31 March 2016	Total Liabilities as of 31 March 2016	Total Revenue for the year ended 31 March 2016	Total Profit/ (Loss) after tax for the year ended 31 March 2016	Name of the auditor and date of audit report
		(Consolidated)	(Consolidated)	(Consolidated)	(Consolidated)	
Subsidiaries						
1.	ONGC Nile Ganga B.V.	262,124.22	77,997.66	34,590.19	1,385.25	M/s Ernst & Young Accountants LLP, Amsterdam, the Netherlands
						Report date 17 May 2016
2.	ONGC Amazon Alaknanda Limited	52,531.45	4,796.15	8,756.76	(422.64)	BDO Audit S.A.
						Report date 16 May 2016
3.	Imperial Energy Limited	69,838.62	12,028.90	6,000.71	(10,494.84)	M/s Ernst & Young LLC, Moscow, Russia
						Report date 18 May 2016
4.	Carabobo One AB	18,507.77	7,238.42	1,089.04	(2,775.12)	M/s Ernst & Young Accountants LLP, Amsterdam, the Netherlands
						Report date 06 May 2016
5.	ONGC Narmada Limited	122.46	2,135.57	-	-	Unaudited
6.	ONGC (BTC) Limited	87.71	83.03	3,584.18	3,500.74	Unaudited
7.	Beas Rovuma Energy Mozambique Limited	33,640.22	13,158.95	-	(189.19)	M/s Agiwal& Associates, Chartered Accountants, New Delhi
						Report date 12 May 2016
8.	ONGC Videsh Rovuma Limited	0.35	0.21	-	(0.79)	BDO & Co,
						Report date 03 May 2016
9.	ONGC Videsh Atlantic Inc.	232.21	94.96	57.32	2.92	Pannell Kerr Forster of Texas, P.C.
						Report date 19 May 2016
Joint-Controlled Entity (Company's share figures given below)						
1.	ONGC Mittal Energy Limited	1,109.02	10,169.18	-	-	Unaudited
	Total	**438,194.03**	**127,703.03**	**54,078.20**	**(8,993.67)**	

Note: (*) These financial statements include respective company's share of assets, liabilities, income and expenses in respect of international joint ventures.

International Yoga Day celebrations at Bogota, Colombia

Financial Statements Consolidated

Colombia

Balance Sheet, Statement of Profit & Loss and notes to the financial statements (1-55) including accounting policies - Consolidated

Consolidated Balance Sheet as at 31 March 2016

(₹ in million)

	Note No.	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share capital	3	100,000.00	100,000.00
Reserves and surplus	4	299,815.87	333,268.95
Minority interest		8,205.75	7,819.81
		408,021.62	441,088.76
Non-current liabilities			
Long-term borrowings	5	374,608.76	364,859.62
Deferred tax liabilities	6	17,786.71	15,104.48
Liability for abandonment	7	77,396.65	71,060.26
Other long-term liabilities	8	9,388.16	87.52
Long-term provisions	9	1,573.22	1,918.73
		480,753.50	453,030.61
Current liabilities			
Short-term borrowings	10	5,135.54	3,355.09
Liability for abandonment	11	2.71	5.67
Trade payables			
- Outstanding dues of creditors other than micro, medium and small enterprises	12	76,399.36	66,207.58
Other current liabilities	13	20,996.92	22,269.97
Short-term provisions	14	1,735.18	67.58
		104,269.71	91,905.89
TOTAL		**993,044.84**	986,025.26
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets			
Oil & Gas assets	15	358,844.19	242,939.04
Other tangible assets	16	24,812.32	129,248.75
Capital work in progress			
Development wells in progress	17A	11,184.49	21,144.40
Others	17B	49,292.86	39,084.33
Intangible assets			
Exploratory wells in progress	18	35,116.24	31,937.56
Other intangible assets (Software)	19A	342.79	126.71
Other intangible assets (Acquisition Cost)	19B	149,464.54	148,571.39
Goodwill	20	167,377.57	192,344.05
Deposits/Investments for Site Restoration Fund	21	12,156.88	10,980.19
Deferred tax assets	22	11,857.61	11,733.88
Long-term loans and advances	23	13,006.01	11,605.11
Other Non-current assets	24	81,065.33	52,965.54
		914,520.83	892,680.95
Current assets			
Inventories	25	10,951.80	8,904.98
Trade receivables	26	23,815.60	29,260.95
Cash and cash equivalents	27	13,505.14	23,829.44
Short-term loans and advances	28	5,849.95	4,916.78
Other current assets	29	24,401.52	26,432.16
		78,524.01	93,344.31
TOTAL		**993,044.84**	986,025.26

Sd/-
(S B Singh)
Company Secretary

Sd/-
(S P Garg)
Director (Finance)

Sd/-
(Narendra K Verma)
Managing Director

As per our report of even date attached.
For Prem Gupta & Co.
Chartered Accountants
Firm Regn No. 000425N

For B C Jain & Co.
Chartered Accountants
Firm Regn No. 001099C

Place: New Delhi
Dated: 21 May 2016

Sd/-
(Rajan Uppal)
Partner (M No. 097379)

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Consolidated Statement of Profit and Loss for the year ended 31 March 2016

(₹ in million)

	Note No.	2015-16	2014-15
Continuing operations			
INCOME			
Revenue from operations	30	123,854.31	188,816.98
Other income	31	3,865.56	2,671.88
Total Revenue		**127,719.87**	191,488.86
EXPENSES			
Production, Transportation, Selling and Distribution Expenditure	32	55,802.22	72,177.33
Changes in inventories of finished goods	33	(264.26)	1,023.74
Financing costs	34	12,485.51	24,768.21
Depreciation, Depletion and Amortisation	35	52,023.01	55,292.63
Survey expenditure		2,114.70	1,688.40
Dry Wells written off		2,027.48	2,601.16
Other expenses	36	(12,391.26)	(7,259.23)
Provisions & Write-offs (Net)	37	4,815.41	12,296.55
Decrease/(increase) due to Overlift/Underlift quantity	38	(494.48)	(552.96)
Total expenses		**116,118.33**	162,035.83
Profit/(loss) before prior period, exceptional and extraordinary items and tax		11,601.54	29,453.03
Adjustments relating to prior period (Net)	39	(7,116.66)	(1,213.45)
Profit/(loss) before exceptional and extraordinary items and tax		18,718.20	30,666.48
Exceptional items	40	30,471.74	-
Profit/(Loss) before extraordinary items and tax		(11,753.54)	30,666.48
Extraordinary items		-	-
Profit/(Loss) before tax		(11,753.54)	30,666.48
Less: Tax expense			
Current tax		12,381.64	18,179.38
Deferred tax		(3,467.55)	(5,406.14)
Earlier years		383.86	36.85
Total tax expense		**9,297.95**	12,810.09
Less: Share of profit/(loss) - minority interest		**(115.99)**	(1,185.82)
Group profit/(loss) for the year from continuing operations		**(20,935.50)**	19,042.21
Discontinuing operations			
Group profit/(loss) for the year from discontinuing operations		-	-
Group profit/(loss) for the year		**(20,935.50)**	19,042.21
Earnings per equity share			
Basic (₹)	41	**(20.94)**	19.04
Diluted (₹)		**(20.94)**	19.04
The accompanying notes are an integral part of these financial statements.	1 to 55		

Sd/-
(S B Singh)
Company Secretary

Sd/-
(S P Garg)
Director (Finance)

Sd/-
(Narendra K Verma)
Managing Director

As per our report of even date attached.
For Prem Gupta & Co.
Chartered Accountants
Firm Regn No. 000425N

For B C Jain & Co.
Chartered Accountants
Firm Regn No. 001099C

Place: New Delhi
Dated: 21 May 2016

Sd/-
(Rajan Uppal)
Partner (M No. 097379)

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Consolidated Cash Flow Statement for the year ended 31 March 2016

(₹ in million)

	Particulars	2015-16		2014-15	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit/(Loss) before extraordinary items and tax		(11,753.54)		30,666.48
	Adjustments For:				
	- Adjustments relating to prior period (Net)	(7,116.66)		(1,213.46)	
	- Provision for Impairment	-		3,741.69	
	-Revised Depreciation as per Companies Act,2013	-		(1,171.89)	
	- Provisions for doubtful debts/claims	2,743.60		4,675.56	
	- Provision for non moving inventory	5.86		223.65	
	- Other provisions and write offs	2,065.95		7,397.35	
	- Unrealized foreign exchange losses/(gains)	(12,785.09)		(7,478.97)	
	- Provision for mark to market loss on derivative contracts	286.32		107.46	
	- Amortization of deferred premium on forward exchange contracts	14.77		-	
	- Depreciation on tangible assets	4,692.74		5,792.43	
	- Amortization of intangibles	65.08		148.08	
	- Amortisation of goodwill	4,796.35		4,415.75	
	- Depletion of Oil & Gas assets	42,468.84		44,936.37	
	- Interest expenses/Discount on issue of bonds	6,382.39		6,727.94	
	- Foreign exchange fluctuation related to borrowing cost	6,103.12		18,040.26	
	- Interest income	(1,572.14)		(492.74)	
	- Gain on foreign exchange forward contracts	(116.24)	48,034.89	(126.41)	85,723.07
	Operating profit before working capital changes		36,281.35		116,389.55
	Adjustments for:-				
	- Decrease/(increase) in inventories	(2,052.68)		(412.91)	
	- Decrease/(increase) in trade receivables	5,445.35		9,343.24	
	- Decrease/(increase) in short-term loans and advances	(974.07)		(568.73)	
	- Decrease/(increase) in other current assets	2,067.12		(3,190.48)	
	- Increase/(decrease) in trade payables	10,191.78		28,326.39	
	- Increase/(decrease) in other current liabilities	(1,273.03)		(47,185.87)	
	- Increase/(decrease) in short-term provisions	1,667.60	15,072.07	(59.64)	(13,748.00)
	Cash generated from/(used in) operations		51,353.42		102,641.55
	Direct taxes paid (net of tax refunds)		(12,765.50)		(18,216.23)
	Net cash flow before prior period items		38,587.92		84,425.32
	Prior period items		7,116.66		1,213.46
	Net cash flow from/(used in) operating activities (A)		45,704.58		85,638.78
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	- Purchases of tangible assets (Net)		10,673.23		(74,866.86)
	- Purchases of intangible assets (Net)		(281.15)		(180.52)
	- Expenditure on projects		(56,857.78)		39,582.29
	- Decrease/(increase) in other non-current assets		(19,388.91)		(22,281.15)
	- Decrease/(Increase) in goodwill		20,170.15		(19,887.04)
	- Decrease/(increase) in long-term loans and advances		(12,850.95)		(21.84)
	- Foreign currency translation reserve		(6,842.84)		4,384.83
	-Deposits/Investments for Site Restoration Fund		(1,176.70)		(3,252.22)
	- Amortization of deferred premium on forward exchange contracts		(14.77)		-
	- Interest income		1,572.14		492.74
	- Decrease/(increase) in deferred tax assets (Net)		6,845.96		2,690.83
	Net cash flow from/(used in) investing activities (B)		(58,151.62)		(73,338.94)
C.	CASH FLOW FROM FINANCING ACTIVITIES:				
	- Net long-term borrowings (term loans) from banks		6,585.25		4,579.50
	- Change in minority interest		385.94		(1,044.24)
	- Net long-term borrowings from parent company Oil and Natural Gas Coporation Limited (ONGC) (Note 5d)		(8,557.08)		13,227.35
	- Change in Finance Lease Obligations (unsecured)		(649.78)		(573.28)
	- Increase/(decrease) in foreign currency bonds (foreign exchange fluctuation)		12,370.75		131,545.50
	- Increase/(decrease) in other long-term liabilities		9,472.32		1,307.99
	- Increase/(decrease) in long term provisions		(345.51)		1,746.87
	- Foreign currency monetary item difference account		(5,730.43)		(4,513.14)
	- Change in foreign currency loans (short term)		1,780.45		(131,038.13)
	- Interest expenses		(6,382.39)		(6,727.94)
	- Increase/(decrease) in deferred tax liabilities (Net)		(819.90)		(1,419.89)
	- Foreign exchange fluctuation related to borrowing cost		(6,103.12)		(18,040.26)
	- Gain on foreign exchange forward contracts		116.24		126.41
	Net cash flow from/(used in) financing activities (C)		2,122.74		(10,823.26)
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		(10,324.30)		1,476.58
	Cash and Cash Equivalents as at 1 April 2015 (Opening Balance)		23,829.44		22,352.86
	Cash and Cash Equivalents as at 31 March 2016 (Closing Balance)		13,505.14		23,829.44

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

2 Bracket indicates cash outflow/deduction.

3 Previous year figures have been regrouped/re-classified wherever necessary to confirm the current years classification.

4 Adjustment have not been made to purchase of tangible and intangible assets etc. (investing activities), on account of increase / decrease in creditors for the assets. The impact of the same is not readily ascertainable.

Sd/-
(S B Singh)
Company Secretary

Sd/-
(S P Garg)
Director (Finance)

Sd/-
(Narendra K Verma)
Managing Director

As per our report of even date attached.
For Prem Gupta & Co.
Chartered Accountants
Firm Regn No. 000425N

For B C Jain & Co.
Chartered Accountants
Firm Regn No. 001099C

Place: New Delhi
Dated: 21 May 2016

Sd/-
(Rajan Uppal)
Partner (M No. 097379)

Sd/-
(Shyamji Gupta)
Partner (M No. 416155)

Notes to the Consolidated financial statements for the year ended 31st March, 2016

1. Corporate information

ONGC Videsh Limited (the Company) is a public limited company domiciled and incorporated in India.

2. Basis of preparation

2.1.1 The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India, applying the Successful Efforts Method (SEM) as per the Guidance Note on Accounting for Oil and Gas Producing Activities (Revised 2013) issued by the Institute of Chartered Accountants of India (ICAI) and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest million (₹ million) unless otherwise stated.

2.1.2 Principles of Consolidation:

The Consolidated Financial Statements relate to ONGC Videsh Limited (Company), ONGC Nile Ganga B.V., The Netherlands (Subsidiary), ONGC Narmada Limited, Nigeria (Subsidiary), ONGC Amazon Alaknanda Limited, Bermuda (Subsidiary), Imperial Energy Limited, Cyprus (Subsidiary) , Carabobo One AB, Sweden (Subsidiary), ONGC (BTC) Limited,Cayman Island (Subsidiary), Beas Rovuma Energy Mozambique Ltd., British Virgin Islands (BREML) (Subsidiary), ONGC Videsh Rovuma Ltd., Mauritius (OVRL) (Subsidiary), ONGC Videsh Atlantic Inc., Texas, (OVAI) (Subsidiary) and jointly controlled entity ONGC Mittal Energy Limited, Cyprus (Joint Venture Company). The financial statements of the Company, its subsidiaries and Joint Venture Company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, unless indicated otherwise.

The financial statements of the foreign subsidiaries and Joint Venture Company have been incorporated in the consolidated financial statements by translating to Indian rupees following the principles for translation of the financial statements of Non-integral foreign operation as laid down in Accounting Standard (AS) 11 viz. Effects of changes in foreign exchange rates (revised 2003) issued by ICAI.

The consolidated accounts incorporate financial statements of the Company and its subsidiaries and the Joint Venture Company for the year ended 31 March 2016 are as detailed below:

Sl No.	Name of the Subsidiaries / Jointly Controlled Entities	Country of Incorporation	Proportion of ownership interest		Status of Audit as at 31 March 2016
			As at 31 March 2016	As at 31 March 2015	
1.1	**ONGC Nile Ganga B.V. (ONGBV)**	The Netherlands	Class A and Class B 100%	Class A and Class B 100%	Audited
1.1 (i)	ONGC Campos Ltda.	Brazil	100%	100%	Audited
1.1 (ii)	**ONGC Nile Ganga (Cyprus) Ltd.**	Cyprus	100%	100%	Audited
1.1 (iii)	ONGC Nile Ganga (San Cristobal) B.V.	The Netherlands	100%	100%	Audited
1.1 (iv)	ONGC Satpayev E&P B.V.	The Netherlands	100%	100%	Audited
1.1 (v)	ONGC Caspian E&P B.V.	The Netherlands	100%	100%	Audited
1.2	**ONGC Nile Ganga B.V. (ONGBV)**	The Netherlands	Class C 55% direct (balance 45% held by OMEL)	Class C 55% direct (balance 45% held by OMEL)	Audited
2	ONGC Narmada Limited (ONL)	Nigeria	100%	100%	Unaudited
3	ONGC Amazon Alaknanda Limited (OAAL)	Bermuda	100%	100%	Audited
4	Imperial Energy Limited	Cyprus	100%	100%	Audited
4 (i)	Imperial Energy Tomsk Limited	Cyprus	100%	100%	Audited
4 (ii)	**Imperial Energy (Cyprus) Limited**	Cyprus	100%	100%	Audited

Sl No.	Name of the Subsidiaries / Jointly Controlled Entities	Country of Incorporation	Proportion of ownership interest		Status of Audit as at 31 March 2016
			As at 31 March 2016	As at 31 March 2015	
4 (iii)	**Imperial Energy Nord Limited**	Cyprus	100%	100%	Audited
4 (iv)	**Biancus Holdings Limited**	Cyprus	100%	100%	Audited
4 (v)	Redcliffe Holdings Limited	Cyprus	100%	100%	Audited
4 (vi)	Imperial Frac Services (Cyprus) Limited	Cyprus	100%	100%	Audited
4 (vii)	San Agio Investments Limited	Cyprus	100%	100%	Audited
4 (viii)	LLC Sibinterneft1	Russia	55.90%	55.90%	Audited
4 (ix)	LLC Allianceneftegaz	Russia	100%	100%	Audited
4 (x)	LLC Nord Imperial	Russia	100%	100%	Audited
4 (xi)	LLC Rus Imperial Group	Russia	100%	100%	Audited
4(xii)	LLC Imperial Frac Services	Russia	50%	50%	Audited
5	Carabobo One AB	Sweden	100%	100%	Audited
5 (i)	Petro Carabobo Ganga B.V.	The Netherlands	100%	100%	Audited
6	ONGC (BTC) Limited	Cayman Islands	100%	100%	Unaudited
7	Beas Rovuma Energy Mozambique Ltd.	British Virgin Islands	60%	60%	Audited
8	ONGC Mittal Energy Limited (OMEL)	Cyprus	49.98%	49.98%	Unaudited
9	ONGC Videsh Rovuma Ltd. (OVRL)	Mauritius	100%	100%	Audited
10	ONGC Videsh Atlantic Inc. (OVAI)	Texas	100%	100%	Audited

1. Although the Company has 47.52 per cent effective ownership interest, it has 55.9 per cent of voting rights in LLC Sibinterneft. LLC Sibinterneft is therefore a subsidiary of the Company, in accordance with the Companies Act, 2013 of India and included in consolidation of accounts accordingly.

2.1.3 In view of different set of environments in which the Subsidiaries and the Joint Venture Company operate, the accounting policies followed for treatment of depreciation on fixed assets, sales revenue and royalties and retirement benefits in respect of the below mentioned subsidiaries and the joint venture company are different from the accounting policies of the Company. Such different accounting policies have been adopted in respect of the following:

2.1.4 Depreciation on Fixed Asset:

The Subsidiary - OAAL and OVAI provide depreciation on fixed assets using the straight line method. The amount involved for OAAL is ₹ 1,701.87 million (Previous year ₹ 1,460.63 million) and OVAI is ₹ 3.05 million (Previous year: Nil) shown as depreciation under Note 35.

2.1.5 Revenue recognition

The Subsidiary - ONGBV follows the participating interest method for revenue recognition associated with sale of crude oil and liquids for its share of petroleum production as specified in the Exploration & Production Sharing Agreement (EPSA) and Crude Oil Pipeline Agreement (COPA). The amount reported using such method is ₹ 11,060.47 million (Previous year ₹ 23,762.33 million) shown under sales under Note 30.

2.1.6 Royalties

The Subsidiary - ONGBV conducts its operations in Sudan jointly with Sudapet the national oil company of Sudan among others. All government stakes other than income taxes are considered to be royalty interest. Royalties on production represent the entitlement of the government of Sudan to a portion of ONGBV's share of crude oil and liquid production and are recorded using the rates in effect under the terms of the contract at the time of production. Royalties / taxes in Syrian concession are accounted similarly by ONGBV. The amount of royalty reported in respect of Sudan is ₹ 2,410.16 million (Previous year ₹ 8,161.81 million) under the head Royalty in Note 32.

2.1.7 Retirement Benefits

The overseas subsidiaries and the joint venture companies provide for the retirement benefits in accordance with the laws of their respective jurisdictions. The net impact on account of the difference in accounting policy is not ascertainable.

2.2 Significant Accounting Policies

a.1 Change in Accounting Estimates

During year ended 31 March 2016, in terms of guidance note on Oil & Gas Producing Activities (revised 2013) and EAC opinion issued by ICAI, the Company has re-classified producing property and production & allied facilities assets as "Oil and Gas Assets" under Fixed Assets.

Existing Accounting Estimate - Producing Property	Revised Accounting Estimate - Oil & Gas Assets	Financial Impact over the financial statements
d & e. Under existing method of charging depletion, the facility assets are depreciated as per the Companies Act, 2013 based upon the life of the asset and the depreciation is capitalised to producing properties and then depleted based upon the unit of production method.	d & e. Under the revised method, the facility assets are clubbed as Oil & Gas Assets along with the producing properties consisting the well costs as these are the integral part of the production process and then depleted based upon the unit of production method instead of depreciating in accordance with the provision specified in Companies Act, 2013.	Depletion charged to Statement of Profit and Loss for the year is higher by ₹ 2.79 million

a.2 **Documentation, rewording or re-alignment of Accounting Policies to properly reflect existing accounting practice**

Policy no.	Existing Policy	Accounting policy documented in FY 2015-16	Financial Impact over the financial statements
2.1.5	The Subsidiary - ONGBV follows the entitlement method for revenue recognition associated with sale of crude oil and liquids for its share of petroleum production as specified in the Exploration & Production Sharing Agreement (EPSA) and Crude Oil Pipeline Agreement (COPA). The amount reported using such method is ₹ 11,060.47 million (Previous year ₹ 23,762.33 million) shown under sales under Note 30.	The Subsidiary - ONGBV follows the participatin interest method for revenue recognition associated with sale of crude oil and liquids for its share of petroleum production as specified in the Exploration & Production Sharing Agreement (EPSA) and Crude Oil Pipeline Agreement (COPA). The amount reported using such method is ₹ 11,060.47 million (Previous year ₹ 23,762.33 million) shown under sales under Note 30.	Nil
b	The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.	The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.	Nil
c.1.2	Acquisition costs cover all costs incurred to purchase, lease or otherwise acquire a property or mineral right proved or unproved. In case of acquiring participating interest in an oil and gas property, acquisition cost is the difference between the purchase consideration and net book value of assets minus the liabilities acquired relating to the Company's share of participating interest in the oil and gas assets on the date of acquisition.	Acquisition cost relating to projects under exploration or development are initially accounted as capital work in progress. Such costs are capitalized by transferring to Oil & Gas Assets when a well is ready to commence commercial production. Acquisition costs relating to unsuccessful exploration projects are written off on relinquishment.	Nil
c.1.3	Acquisition costs relating to projects under production are capitalized as "Producing Properties".	Acquisition costs of a producing oil and gas property are capitalized as proved property acquisition cost under Oil & Gas Assets and amortized using unit of production method over proved reserves of underlying asset.	Nil
c.3.1	Exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells in Progress till the time these are either transferred to Oil & Gas Assets on completion as per Note no. d.2 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or no further use for any purpose, as the case may be.	All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells in Progress till the time these are either transferred to Oil & Gas Assets on completion as per Note c.1.2 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.	Nil
c.3.2	All costs relating to development wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Producing Properties' on completion as per Note d.1	All costs relating to development wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil & Gas Assets' on completion as per Note d.1	Nil

Policy no.	Existing Policy	Accounting policy documented in FY 2015-16	Financial Impact over the financial statements
c.3.3	Costs of exploratory wells are not carried unless there are indications of sufficient quantity of reserves and sufficient progress is made in assessing the reserves and the economic & operating viability of the project. All such carried costs are subject to review for impairment.	Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per note g.	Nil
d.1	Producing Properties are created in respect of a field/project having proved developed oil and gas reserves when any well in the field/project is ready to commence commercial production. Development wells are capitalized to producing properties on completion.	Oil & Gas Assets are stated at historical cost less accumulated depletion and impairment. These are created in respect of a field/project having proved developed oil and gas reserves, when any well in the field/project is ready to commence commercial production. Development wells are capitalized to Oil & Gas Assets on completion.	Nil
d.2	Producing properties are depleted using the "Unit of Production Method". The rate of depletion for all capitalized costs is computed with reference to the field/project/amortization base by considering the related proved and developed reserves excepting for acquisition costs which are depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee formed by the parent company Oil and Natural Gas Corporation Limited (ONGC), which follows the International Reservoir Engineering Procedures.	Oil & Gas Assets are depleted using the "Unit of Production Method". The rate of depletion for all capitalized costs is computed with reference to the field/project/amortization base by considering the related proved and developed reserves excepting for acquisition costs which are depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee formed by the parent company Oil and Natural Gas Corporation Limited (ONGC), which follows the International Reservoir Engineering Procedures.	Nil
g.1	Producing Properties, Development Wells in Progress (DWIP) and Fixed Assets (Including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, event and circumstances indicates any impairment, recoverable amount of these assets is determined, being the higher of net selling price and value in use. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount by writing down such assets to their recoverable amount. In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at an appropriate rate.	Oil & Gas Assets, Development Wells in Progress (DWIP) and Fixed Assets (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is higher of its 'value in use' or 'net selling price' (if determinable). In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.	Nil
k.1	Depreciation on tangible assets (including those taken on finance lease) is provided for under the written down value method over the useful life of Asset which is not more than useful life specified in Schedule II to the Companies Act, 2013.	Depreciation on tangible assets including those taken on finance lease (other than Oil & Gas Assets) is provided for under the written down value method over the useful life of Asset which is not more than useful life specified in Schedule II to the Companies Act, 2013.	Nil
k.5	Depreciation on additions/deletions during the year is provided on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ` 5,000/- which are fully depreciated at the time of addition.	Depreciation on additions/deletions to tangible assets other than Oil & Gas Assets during the year is provided for on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ` 5,000/- which are fully depreciated at the time of addition.	Nil
k.6	Depreciation on subsequent expenditure on fixed assets arising on account of capital improvement or other factors is provided for prospectively.	Depreciation on subsequent expenditure on tangible assets othere than Oil & Gas Assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.	Nil
k.7	Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life which is not more than the life specified in Schedule II to the Companies Act, 2013.	Depreciation on refurbished/revamped assets other than Oil & Gas Assets which are capitalized separately is provided for over the reassessed useful life which is not more than the life specified in Schedule II to the Companies Act, 2013.	Nil

Policy no.	Existing Policy	Accounting policy documented in FY 2015-16	Financial Impact over the financial statements
k.8	Depreciation on tangible assets (including those taken on finance lease, support equipment and facilities) used for exploratory and development drilling activities and on facilities is initially capitalised as part of exploration and development costs and expensed / depleted as stated in policy d and e above.	Depreciation on fixed assets (other than Oil & Gas assets) including support equipment used for exploratory/ development drilling is initially capitalised as part of drilling cost and expensed/ depleted as stated in Note 2.d. and 2.e. Depreciation on equipment/ assets deployed for survey activities is charged to the Statement of Profit and Loss.	Nil
r.3	Provisions for gratuity, leave encashment and other employee benefits are made as per actuarial valuation at the end of the financial year except for gratuity and leave encashment the same are not funded.	Provisions for gratuity, leave encashment and other employee benefits are made as per actuarial valuation at the end of the financial year. The Company contributes all ascertained liabilities with respect to gratuity and leave/compensated absences to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LIC) respectively. Other defined benefit schemes are unfunded.	Nil

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

c. Acquisition Cost of acquiring rights to explore, develop and produce oil & gas:

c.1.1 Acquisition Cost:

Acquisition costs cover all costs incurred to purchase, lease or otherwise acquire a property or mineral right proved or unproved. In case of acquiring participating interest in an oil and gas property, acquisition cost is the difference between the purchase consideration and net book value of assets minus the liabilities acquired relating to the company's share of participating interest in the oil and gas assets on the date of acquisition.

c.1.2 Exploration and Development stage

Acquisition cost relating to projects under exploration or development are initially accounted as capital work in progress. Such cost are capitalized by transferring to Oil & Gas Assets when a well is ready to commence commercial production. Acquisition costs relating to unsuccessful exploration projects are written off on relinquishment.

c.1.3 Production stage

Acquisition costs of a oil and gas property are capitalized as proved property acquisition cost under Oil & Gas Assets and amortized using unit of production method over proved reserves or underlying assets.

c.2 Survey Costs

Cost of Surveys and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

c.3 Exploratory/Development Wells in Progress Costs:

c.3.1 All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalised as Exploratory Wells in Progress till the time these are either transferred to Oil & Gas Assets on completion as per Note c.1.2 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or no further use, as the case may be.

c.3.2 All costs relating to development wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil & Gas Assets' on completion as per Note d.1.

c.3.3 Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress is made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per note g.

c.4 Abandonment Costs:

Costs relating to dismantling, abandoning and restoring well sites and allied facilities are provided as abandonment costs based on the provisions under respective agreements governing Company's activities in the field/ projects.

c.5 Production Costs:

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

d Oil & Gas Assets:

d.1 Oil & Gas Assets are stated at historical cost less accumulated depletion and impairment. These are created in respect of a field/project having proved developed oil and gas reserves, when any well in the field/project is ready to commence commercial production. Development wells are capitalized to Oil & Gas Assets on completion.

d.2 All acquisition costs, cost of successful exploratory wells and of all development wells, all related development costs including depreciation on support equipment and estimated future abandonment costs relating to Oil & Gas Assets are capitalized as Oil & Gas Assets.

e Depletion of Oil & Gas Assets:

Oil & Gas Assets are depleted using the "Unit of Production Method". The rate of depletion for all capitalized costs is computed with reference to the field/project/amortization base by considering the related proved and developed reserves excepting for acquisition costs which are depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee formed by the parent company Oil and Natural Gas Corporation Limited (ONGC), which follows the International Reservoir Engineering Procedures.

f Side tracking:

f.1 The cost of abandoned portion of side tracked exploratory wells is charged to Statement of Profit and Loss as dry wells.

f.2 The cost of abandoned portion of side tracked development wells is considered as part of cost of development wells.

f.3 The cost of side-tracking in respect of existing producing wells is capitalized if it increases the Proved Developed Reserve otherwise, charged to Statement of Profit and Loss as work over expenditure.

g Impairment:

g.1 Oil & Gas Assets, Development Wells in Progress (DWIP) and Fixed Assets (Including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is higher of its "value in use" or "net selling price" (if determinable). In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.

g.2 An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, is allocated to its assets on a pro-rata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

h Joint Ventures:

h.1 The Company has entered into overseas joint ventures with others. In such joint ventures as per the contractual arrangements, the Company shares control with other venturers. The financial statements reflect the share of the Company in assets and liabilities as well as income and expenditure of Joint Venture Operations which are accounted for as per various joint venture agreements on a line by line basis along with similar items in the Company's financial statements, except in case of leases, abandonment, impairment, depletion and depreciation which are accounted based on accounting policies of the Company.

h.2 The reserves of hydrocarbons in the joint ventures are taken in proportion to the participating interest of the Company.

i Tangible Assets:

i.1 Tangible assets (including those taken on finance lease, support equipment and facilities) are stated at historical cost.

i.2 All costs relating to acquisition of tangible assets till the time of commissioning of such assets are capitalized.

j Intangible Assets:

j.1 Costs incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets.

k Depreciation:

k.1 Depreciation on tangible assets including those taken on finance lease (other than Oil & Gas Assets) is provided for under the written down value method over the useful life of Asset which is not more than useful life specified in Schedule II to the Companies Act, 2013.

k.2 Intangible Assets are amortised on Straight Line Method (SLM) over the useful life not exceeding five years from the date of capitalisation.

k.3 Leasehold land (other than perpetual lease and lease over 99 years) is amortized over the lease period.

k.4 Depreciation on adjustments to tangible assets on account of price variation is provided for prospectively over the remaining useful life of such assets.

k.5 Depreciation on additions/deletions to tangible assets other than Oil & Gas Assets during the year is provided for on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition.

k.6 Depreciation on subsequent expenditure on tangible asstes other than Oil & Gas Assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

k.7 Depreciation on refurbished/revamped assets other than Oil & Gas Assets which are capitalized separately is provided for over the reassessed useful life which is not more than the life specified in Schedule II to the Companies Act, 2013.

k.8 Depreciation on fixed assets (other than Oil & Gas assets) including support equipment used for exploratory/ development drilling is initially capitalised as part of drilling cost and expensed/depleted as stated in Note 2d and 2e. Depreciation on equipment/ assets deployed for survey activities is charged to the Statement of Profit and Loss.

l Inventories:

l.1 Crude oil and condensate are valued at cost or net realizable value, whichever is lower.

l.2 Natural gas in pipeline and crude oil/condensate stock in flow lines/gathering stations are not valued.

l.3 Inventory of stores and spares is valued at weighted average cost or net realizable value, if available, whichever is lower. Wherever, weighted average cost or net realizable value is not available, the cost made available by the operator is considered for valuation of Stores and Spares. Provisions are made for obsolete and non-moving inventories.

m Investments:

m.1 Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.

m.2 Current investments are valued at lower of cost or fair value.

n Foreign Currency Transactions and Foreign Operations:

n.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.

n.2 At each Balance Sheet date, foreign currency monetary items are translated using the average of the exchange rates prevailing on the balance sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such item was determined.

n.3.1 Long term foreign currency monetary items: In accordance with the paragraph 46A of the Accounting Standards (AS) 11, exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable assets are adjusted against the cost of such assets and depreciated over the balance life of the assets and in other cases amortized over the balance period of the long term foreign currency monetary assets or liabilities.

n.3.2 Other foreign currency monetary items: All exchange differences arising on the settlement of monetary items other than long term monetary items or on reporting of monetary items other than long term monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

n.4 In respect of the Company's integral foreign operations:

n.4.1 The foreign currency transactions on initial recognition in the reporting currency are recorded following the policy stated in Note no. m.1. For practical reasons, the average exchange rate of the relevant month/quarter is taken for the transactions of the month/quarter in respect of joint venture operations, where actual date of transaction is not available.

n.4.2 At each Balance Sheet date, monetary and non-monetary items are translated following the policy stated in Note no. n.2.

n.4.3 All exchange differences are treated following the policy stated in Note no. n.3.1 & n.3.2

n.5 The financial statements of the non-integral foreign operations of the Company are incorporated in the financial statements using the following principles:

n.5.1 The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the average of the exchange rate prevailing on the date of the balance sheet;

n.5.2 Income and expense items of the non-integral foreign operation are translated at the average exchange rates for the year to which the financial statements relate; and

n.5.3 All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.

n.6 Exchange differences arising on the company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of such investment, at which time they are recognized as income or as expenses.

o Finance Leases

o.1 Assets given on Lease:

o.1.1 Assets given on finance lease are accounted for as per Accounting Standard (AS) 19 "Leases" issued by the Institute of Chartered Accountant of India. Such assets are included as a receivable at an amount equal to the net investment in the lease.

o.1.2 Initial direct costs incurred in respect of finance leases are recognized in the Statement of Profit and Loss in the year in which such costs are incurred.

o.2 Assets taken on Lease:

Assets taken on finance lease are capitalised and recognised at the lower of the fair value of the asset and the discounted value of the minimum lease instalments. The lease payments are bifurcated into repayment and interest components, based on a fixed interest rate and instalment as derived from the underlying agreement. The lease commitments are carried under liabilities exclusive of interest. The interest component is recognised in the Statemnet of Profit and Loss in accordance with the lease instalments.

p Revenue Recognition:

p.1 Revenue from sale of products is recognized on transfer of custody to customers. Any difference as of the reporting date between the entitlement quantity minus the quantities sold in respect of crude oil (including condensate), if positive (i.e. under lift quantity) the proportionate production expenditure is treated as prepaid expenses and, if negative (i.e. over lift quantity), a liability for the best estimate of the Company's proportionate share of production expenses as per the JOA / PSA is created in respect of the quantity of crude oil to be foregone in future period towards settlement of the overlift quantity of crude oil with corresponding charge to Statement of Profit and Loss.

p.2 Sales are inclusive of all statutory levies and any tax liability of the Company that may be paid by the government based on the provisions under agreements governing the Company's activities in the respective field/ project.

p.3 Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent years is recognized as Deferred Revenue in the year of receipt. The same is recognized as revenue in the year in which such gas is actually supplied for the quantity supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.

p.4 Revenue in respect of fixed price contracts is recognized for the quantum of work done on the basis of percentage of completion method. The quantum of work done is measured in proportion of cost incurred till date to the estimated total cost of the contract or based on reports of physical work done.

p.5 Finance income in respect of assets given on finance lease is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

p.6 Revenue in respect of interest on delayed realization is recognized when there is reasonable certainty regarding ultimate collection.

p.7 Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

q Transportation Costs:

Any payment made in respect of the quantity of gas short transported, for which the right exists to transport such gas in subsequent years at no charge, is treated as Deferred Expenditure in the year of payment. The same is treated as cost in the year in which the gas is actually transported for the quantity transported or in the year in which the right to transport such gas ceases, whichever is earlier.

r Employee Benefits:

r.1 All short term employee benefits are recognized at their undiscounted amount in the accounting year in which they are incurred.

r.2 Contribution to Provident Fund and Composite Social Security Scheme is made as per the rules of the parent company. The same is paid to funds administered through trusts.

r.3 Provisions for gratuity, leave encashment and other employee benefits are made as per actuarial valuation at the end of the financial year. The Company contributes all ascertained liabilities with respect to gratuity and leave/compensated absences to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LIC) respectively. Other defined benefit schemes are unfunded.

r.4 In respect of local staff in overseas offices of the Company, employees (other than those on deputation/secondment from the Company) of joint ventures (incorporated/ unincorporated)/ subsidiaries, the liabilities for employee benefits are recognised in accordance with the applicable laws of their respective jurisdictions and/or the respective labour agreements with the employees.

s Borrowing Costs:

Borrowing Costs specifically identified to the acquisition or constructions of qualifying assets are capitalized as part of such asset till such time when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

t Insurance Claims:

The Company accounts for insurance claims as under:-

t.1 In case of total loss of asset by transferring, either the carrying cost of the relevant asset or Insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable - Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Statement of Profit and Loss.

t.2 In case of partial or other losses, expenditure incurred/ payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable-Insurance". Insurance Policy deductibles are expensed in the year when the corresponding expenditure is incurred.

t.3 As and when claims are finally received from Insurer, the difference, if any, between Claims Recoverable – Insurance and Claims received is adjusted to Statement of Profit and Loss.

u Abnormal Rig days' costs

Abnormal Rig days' costs are considered as unallocable and charged to Statement of Profit and Loss.

v Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities, if material, are disclosed by way of notes to the accounts.

w Taxes on Income:

Provision for current tax is made as per the provisions of the Income Tax Act, 1961/ other applicable tax laws. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

x Accounting for derivatives:

As per the ICAI Announcement, accounting for derivatives, other than those covered under AS-11, is done on mark to market basis and the losses are charged to Statement of Profit and Loss. Unrealized gains are ignored.

y Goodwill Amortization:

The Company amortizes Goodwill (on consolidation) based on "Unit of Production Method" considering the related Proved Reserves.

z Pre-Acquisition cost:

Expenditure incurred before the right(s) to explore, develop and produce oil and gas is obtained, are expensed as incurred.

CSR activities in Sudan

3. Share Capital

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
Authorised	**250,000.00**	100,000.00
2,500,000,000 (Previous year 1,000,000,000) Equity Shares of ₹ 100 each		
	100,000.00	100,000.00
Issued, Subscribed, Called and Paid Up		
1,000,000,000 (Previous year 1,000,000,000) Equity Shares of ₹ Rs.100 each fully paid up in cash		
(The entire share capital is held by Oil and Natural Gas Corporation Limited and its nominees)		
	100,000.00	100,000.00
TOTAL		

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	31 March 2016		31 March 2015	
	No. Million	**₹ in Million**	**No. Million**	**₹ in Million**
Equity Shares				
Outstanding at the beginning of the year	**1,000.00**	**100,000.00**	1,000.00	100,000.00
Changes during the year	**-**	**-**	-	-
Outstanding at the end of the year	**1,000.00**	**100,000.00**	1,000.00	100,000.00

The Company has increased its authorized share capital by ₹ 150,000 million in its EGM held on 16 March 2016 and consequently the authorized share capital of the Company is ₹ 250,000 million consisting of 2,500,000,000 equity shares of ₹ 100 each.

b. Terms / rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the meeting.

During the year ended 31 March 2016, the amount of dividend per share declared for distribution to equity shareholders was Nil (Previous year: Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Out of the equity shares issued by the Company, the shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

Particulars	31 March 2016		31 March 2015	
	No. Million	**₹ in Million**	**No. Million**	**₹ in Million**
Oil and Natural Gas Corporation Limited, the holding company and its nominees	**1,000.00**	**100,000.00**	1,000.00	100,000.00

d. Aggregate number of bonus shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil

e. Details of shareholders holding more than 5% shares in the Company:

Particulars	31 March 2016		31 March 2015	
	No. Million	**% Holding**	**No. Million**	**% Holding**
Oil and Natural Gas Corporation Limited, the holding company and its nominees	1,000.00	100%	1,000.00	100%

f. Shares reserved for issue under options: Nil

4. Reserves and surplus

(₹ in million)

Particulars		As at 31 March 2016		As at 31 March 2015
Capital Reserve		1,169.94		1,114.25
Capital Redemption Reserve		**0.13**		0.12
Debenture Redemption Reserve (Note 4a)				
As per Last Balance Sheet	28,675.17		24,470.11	
Add: Transfer from Surplus	30,039.12		23,905.06	
Less: Transfer to General Reserve	-	58,714.29	(19,700.00)	28,675.17
General Reserve				
As per Last Balance Sheet	**38,798.97**		**16,981.25**	
Add: Adjustment on account of change in Depreciation as per Companies Act 2013	-		**(1,171.89)**	
Add:Current period transfer from Debenture Redemption Reserve	-		**19,700.00**	
Add: Transfer from Surplus	**3,500.74**	42,299.71	**3,289.61**	38,798.97
Foreign Currency Translation Reserve (Note 4b)		68,305.78		75,148.62
Foreign Currency Monetary Item Difference Account (Note 4c)		(14,169.13)		(8,438.69)
Surplus				
As per Last Balance Sheet	**197,970.51**		**206,122.97**	
Add: Profit / (loss) for the year	**(20,935.50)**		**19,042.21**	
Less: Transfer to Debenture Redemption Reserve	**30,039.12**		**23,905.06**	
Less: Transfer to General Reserve	**3,500.74**	143,495.15	**3,289.61**	197,970.51
TOTAL		**299,815.87**		333,268.95

a. The Debentures Redemption Reserve position for above is as under:-

(₹ in million)

Particulars	Balance as on 31 March 2015	Addition during 2015-16	Transfer during 2015-16	Balance as on 31 March 2016
8.54 % 10 Years Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series II	1,936.12	370.81	-	2,306.93
Total (A)	**1,936.12**	**370.81**	**-**	**2,306.93**
Unsecured 4.625% 10 year USD Bonds - USD 750 Millions	3,343.76	5,183.84	-	8,527.60
Unsecured 3.75% 10 years USD Bonds - USD 500 Millions	5,951.83	3,677.27	-	9,629.10
Unsecured 2.75% 7 year EUR Bonds - EUR 525 Millions	3,611.89	6,023.97	-	9,635.86
Unsecured 3.25% 5 year USD Bonds - USD 750 Millions	6,689.38	10,370.49	-	17,059.87
Unsecured 2.50% 5 years USD Bonds - USD 300 Millions	7,142.19	4,412.74	-	11,554.93
Total (B)	**26,739.05**	**29,668.31**	**-**	**56,407.36**
Total (A+B)	**28,675.17**	**30,039.12**	**-**	**58,714.29**

b. Foreign Currency Translation Reserve

The Company has followed the Accounting Standard (AS) 11 viz. Effects of Changes in Foreign Exchange Rates (revised 2003) issued by the Institute of Chartered Accountants of India for incorporating in the consolidated financial statements following the principles for translation of the financial statements of Non-integral Foreign Operation.The movement is as under:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening Balance	**75,148.62**	70,763.79
Additions during the year	**(6,842.84)**	4,384.83
Closing Balance	**68,305.78**	75,148.62

c. Foreign Currency Monetary Item Difference Account:

As per significant accounting policy n.3.1, the details of the exchange differences on long term monetary items are as under:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening Balance	**(8,438.69)**	(3,925.56)
Add: Exchange Gain/(Loss) during the year	**(18,956.01)**	(2,510.24)
Less: Exchange Gain/(Loss) amortized during the year	**(2,802.57)**	(1,255.86)
Less: Exchange Gain/(Loss) capitalized during the year	**(10,423.00)**	3,258.75
Closing Balance	**(14,169.13)**	(8,438.69)

5. Long-term borrowings

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured		
Non-Convertible Redeemable Debentures (Note 5a)	**3,700.00**	3,700.00
Term Loans		
from banks (Note 5 b.1 & Note 5 b.2)	**117,771.25**	111,186.00
Foreign Currency Bonds (Note 5c)	**191,964.25**	179,593.50
Loans and advances		
From Oil and Natural Gas Corporation Limited (Note 5d)	**57,585.20**	66,142.28
Non-current maturities of finance lease obligations	**3,588.06**	4,237.84
TOTAL	**374,608.76**	364,859.62

a Non Convertible Redeemable Debenture (Rupee Bonds)

(₹ in million)

Particulars	Amount (₹ million)	Date of issue	Due date of redemption	Coupon
Unsecured non-convertible redeemable Bonds in the nature of Debentures-Series II of face value ₹ 1 million each	3,700.00	6 January 2010	6 January 2020	8.54%, payable annually in arrears

The above bonds are listed in National Stock Exchange of India Ltd. (NSE). The bonds are guaranteed by Oil and Natural Gas Corporation Limited, the parent company. Further the Company is required to maintain 100% asset cover as per Listing Agreement for Debt Securities. There is no periodical put/ call option. The bonds are repayable in full (bullet repayment) on maturity date.

b.1 Term Loans (from banks)

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015	Date of loan	Date of repayment	Coupon
USD 1,775 million Term loans	-	111,186.00	28 February 2014	27 November 2015	Libor + 1.65% payable quarterly

The Term loan was obtained from a syndicate of nine banks to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko Petroleum Corporation.

b.2 Term Loans (from banks)

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015	Date of loan	Due date of repayment	Coupon
USD 1,775 million Term loans	117,771.25	-	28 February 2014	27 November 2015	Libor + 0.95% payable quarterly

The Term loan was obtained from a syndicate of nine banks to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko Petroleum Corporation.

c. Foreign Currency Bonds

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015	Date of issue	Due date of redemption	Coupon
USD 750 million unsecured non-convertible Reg S Bonds	45,127.50	45,127.50	15 July 2014	15 July 2024	4.625%, payable semi-annually in arrears
USD 500 million unsecured non-convertible Reg S Bonds	27,145.00	27,145.00	7 May 2013	7 May 2023	3.75%, payable semi-annually in arrears
EUR 525 million unsecured Euro Bonds*	43,044.75	43,044.75	15 July 2014	15 July 2021	2.75%, payable annually in arrears
USD 750 million unsecured non-convertible Reg S Bonds	45,127.50	45,127.50	15 July 2014	15 July 2019	3.25%, payable semi-annually in arrears
USD 300 million unsecured non-convertible Reg S Bonds	16,287.00	16,287.00	7 May 2013	7 May 2018	2.50%, payable semi-annually in arrears
Foreign Exchange Difference	15,232.50	2,861.75			
Total	**191,964.25**	**179,593.50**			

c1.

(₹ in million)

Particulars	Listed in	Issue Price	Denomination	Due date of redemption	Coupon
USD 750 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.454%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	15 July 2024	4.625%, payable semi-annually in arrears
USD 500 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.950%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	7 May 2023	3.75%, payable semi-annually in arrears
EUR 525 million unsecured Euro Bonds*	Frankfurt Stock Exchange	99.623%	Euro 100,000 and multiples of Euro 1,000 thereafter.	15 July 2021	2.75%, payable annually in arrears
USD 750 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.598%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	15 July 2019	3.25%, payable semi-annually in arrears
USD 300 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.655%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	7 May 2018	2.50%, payable semi-annually in arrears

All the bonds are guaranteed for repayment of principal and payment of interest by Oil and Natural Gas Corporation Limited, the parent company. There is no periodical put/call option. The bonds are repayable in full (bullet repayment) on maturity date.

c.2 The foreign exchange difference in respect of the foreign currency bonds* till 31 March 2016 amounting to ₹ 15,232.50 million (Previous year: ₹ 2,861.75 million) has been amortized over the outstanding tenure of the loan as per the provision of Para 46A of AS 11.

* except the Euro designated bonds which are capitalized to the respective assets of block Area 1, Mozambique.

d The Company has taken loans from Oil and Natural Gas Corporation Limited (Parent Company) for funding its overseas projects. The outstanding balance of such loans as at 31 March 2016 was ₹ 57,585.20 million (previous year ₹ 66,142.28 million). The loan is normally repayable out of the cash flows of the projects for which the respective funds were borrowed. However, ONGC have the right to demand repayment with a notice period of minimum 15 months. No interest on loan has been provided for during the year ended 31 March 2016. ONGC in its Board Meeting has approved Nil interest rate, accordingly interest expenditure on loan from parent company during the year ended 31 March 2016 is Nil (previous year: Nil).

6. Deferred tax liabilities

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred tax liabilities	**17,786.71**	15,104.48
TOTAL	**17,786.71**	15,104.48

Attention is invited to Note 43 b & Note 15 d.

7. Liability for abandonment

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening Balance	**71,060.26**	46,243.95
Addition during the year	**6,336.39**	24,816.31
Closing Balance	**77,396.65**	71,060.26

(₹ in million)

Liability for abandonment	As at 31 March 2016	As at 31 March 2015
Current (Note 11)	**2.71**	5.67
Non-Current (Note 7)	**77,396.65**	71,060.26
Total	**77,399.36**	71,065.93

a. In respect of Abandonment liability of Block Sakhalin 1, Russia funding of ₹11,779.62 million (Previous year: ₹10,773.53 million) and Block 06.1, Vietnam funding of ₹377.26 million (Previous year: ₹206.66 million) has been made. Refer to Note 21.

8. Other long-term liabilities

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Forward Exchange Contract - Payable	**9,266.18**	-
Others	**121.98**	87.52
TOTAL	**9,388.16**	87.52

9. Long-term provisions

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Post retirement medical benefits/Other terminal benefits	**46.97**	673.09
Others*	**1,526.25**	1,245.64
	1,573.22	1,918.73

*Other provisions includes provision for Mark to Market (Refer Note 52)

a. The provision for employee benefits are accounted based on the actuarial valuation for the year ended 31 March 2016.

b. The employees of the Company are deputed from the parent company (ONGC) and governed as per the parent company policy for employee benefit. All the scheme relating to employee benefits are adminstered by the parent company and accordingly the period end provision of employee benefits from the current year are settled by transfer to the parent company.

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Current (Note 14)	**76.43**	67.58
Non-Current (Note 9)	**46.97**	673.09
Total Provisions for Employee benefits	**123.40**	740.67

10. Short-term borrowings

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Other Short-term borrowings	**5,135.54**	3,355.09
TOTAL	**5,135.54**	3,355.09

11. Liability for abandonment

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Liability for abandonment	**2.71**	5.67
TOTAL	**2.71**	5.67

12. Trade payables

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Outstanding dues of creditors other than micro, medium and small enterprises:		
Deferred credit on gas sales*	**68.25**	36.63
Trade payables for supplies / works	**4,655.21**	4,626.41
Trade payables for supplies / works (In respect of Joint Ventures)	**71,675.90**	61,544.54
TOTAL	**76,399.36**	66,207.58

* Deferred credit on gas sales represents amounts received from gas customers against "Take or Pay" obligations under relevant gas sales agreements. The amounts are to be utilised to supply gas in subsequent year(s) free of charge to such customers.

The company does not have any outstanding dues to Micro, Medium and Small enterprises.

13. Other current liabilities

(₹ in million)

Particulars	As at 31 March 2016		As at 31 March 2015	
Non-Recourse Deferred Credit - Unsecured (Note 13a)	**1,152.64**		1,088.19	
Less: Set-off against provision for non-receipt of instalments	**772.15**	**380.49**	728.97	359.22
Current maturities of finance lease obligations (Note 13b)		**1,355.72**		1,277.58
Interest accrued but not due on Debentures, Bonds & Others		**2,384.21**		2,399.53
Advance from customers / Income received in advance		**327.56**		317.85
Amount Payable to Operators		**4,241.52**		6,217.40
Payable to ONGC		**126.66**		367.05
Tax Payable by Subsidiaries and JV Companies in foreign Countries		**6,246.33**		2,942.54
Deposits - Unsecured		**0.67**		2.06
Other Liabilities		**5,933.76**		8,386.74
TOTAL		**20,996.92**		22,269.97

a. Non-recourse deferred credit: ₹ 1,152.64 million (Previous year: ₹ 1,088.19 million) represents the non-recourse deferred credit from contractors of pipeline project executed by the Company in Sudan. The Non-recourse deferred credit is repayable from the instalments of pipeline lease rentals from Ministry of Energy and Mining (MEM), Sudan. (Attention is invited to Note 47a).

b. Attention is also invited to Note No 5

14. Short-term provisions

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Leave encashment	**59.72**	67.58
Post retirement medical benefits/Other terminal benefits	**16.71**	-
Provision for Minimum Work Program*	**1,658.75**	-
	1,735.18	67.58

*Provision has been created towards minimum work programme commitment of US$ 25.00 million (Previous year: Nil) in respect of Area 43, Libya

15. Oil & Gas assets

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Gross Cost		
Opening Balance	**477,326.14**	458,035.35
Adjustments during the year (Note 15a)	**85,472.79**	-
Adjustments during the year (Note 15d)	**8,184.77**	-
Additions during the year	**29,235.73**	13,697.42
Transfer from Development & Exploratory Wells-in-Progress	**36,171.94**	20,248.69
Increase / (Decrease) in estimated Abandonment costs (Note 15b)	**5,634.48**	24,390.18
Foreign Currency Translation Adjustment	**5,171.12**	(39,045.50)
Total Gross (A)	**647,196.97**	**477,326.14**
Less: Depletion		
Opening Balance	**232,442.06**	202,944.80
Depletion for the year	**42,468.84**	44,936.37
Adjustment	**1,045.88**	220.37
Foreign Currency Translation Adjustment	**4,482.74**	(15,659.48)
Total Depletion (B)	**280,439.52**	232,442.06
Less: Provision for Impairment (C) (Note 15c)	**7,913.26**	1,945.04
Net Oil & Gas Assets (A - B - C)	**358,844.19**	242,939.04

a. During year ended 31 March 2015, in terms of guidance note on Oil & Gas Producing Activities (revised 2013) and EAC opinion issued by ICAI, the Company has classified net producing property and production & allied facilities as "Oil and Gas Assets" under tangible Assets. Accordingly, the Company has w.e.f. 1 April 2015, made changes in accounting estimates by changing the useful life of certain production & allied facilities reclassified as Oil and Gas Assets by linking it with the respective Oil & Gas reserves for the purpose of charging depletion on such Oil & Gas Assets. Such change in accounting estimates has been accounted for prospectively as per Accounting Standard (AS)-5. Consequent to such change, the "Depreciation, depletion and amortization expenses" is higher by ₹ 2.79 million and profit before tax lower by ₹ 2.79 million for the year ended 31 March 2016. Refer Note 2.2.a.1.

b. The above includes Foreign currency translation differences on the abandonment liability in pursuance to Para 46A of the Accounting Standard-11 (Changes in Foreign

Exchange Rates). The details of the related foreign currency translation monetary item difference account are as follows:-

(₹ in million)

Exchange loss arising on reporting of long-term foreign currency monetary items relating to depreciable assets:	As at 31 March 2016	As at 31 March 2015
Amount remaining to be amortised at the beginning of the year	**5,156.91**	4,696.94
Exchange loss/(gain) arising during the year	**3,221.87**	1,320.84
Less: Depletion charged to Statement of Profit and Loss for the year	**989.83**	860.87
Amount remaining to be amortised at the end of the year	**7,388.95**	5,156.91

c. Refer Note no. 48g

d. Pursuant to Notification no. G.S.R.(914) E dated 29 December 2011 issued by MCA inserting para 46A in the Accounting Standard (AS)-11 'The Effects of Changes in Foreign Exchange Rates', the Company had opted in the financial year 2012-13 to adjust exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable assets, against the cost of such assets and depreciate the said adjustment over the balance life of the asset. (Refer Note n.3.1)

d.1 BC-10, Brazil (an un-incorporated joint venture of the group) has USD currency denominated long-term finance lease agreement with Tamba BV. Netherlands (a joint venture company of the group), wherein the later is providing major oil field equipments like floating production storage and offloading vessel (FPSO) and other sub-sea assets to the former. These assets have been capitalized in the books of ONGC Campos Ltda. (a subsidiary of ONGC Videsh Limited) which has 27% (Previous year 27%) participating interest in BC-10, Brazil project. ONGC Campos Ltda prepares its financial statements in Brazilian Real (BRL) which are translated into USD for consolidation in holding company ONGC Nile Ganga B.V.'s consolidated financial statements, which are further translated into ₹ for consolidation in ONGC Videsh Limited consolidated financial statements. The forex gain/loss arising due to conversion of BRL to USD (& subsequently ₹) on account of revaluation of long-term finance lease liability was being recognized in the Statement of Profit and Loss. However, in accordance with the opinion obtained from the Expert Advisory Committee (EAC) of the ICAI, the Company has applied the provisions of para 46A of AS -11 retrospectively from financial year 2012-13 and the revaluation gain/loss of the long-term finance lease is capitalized to Oil & Gas assets and depleted using unit of production method. The impact of the change of the accounting treatment on the Statement of the Profit and Loss is as below:

(₹ in million)

A. Prior period adjustments:	2015-16	2014-15
a) Foreign exchange loss /(gain)	**(8,184.77)**	Nil
b) Depletion	**1,068.11**	Nil
c) Deferred tax on a) & b) above	**2,419.66**	Nil
d) Total (a+b+c)	**(4,697.00)**	Nil
B. For the year :		
a) Depletion	**547.29**	Nil
b) Deferred tax on a) above	**(186.08)**	Nil
c) Total (a+b)	**361.21**	Nil

d.2 The details of Oil & Gas assets remaining to be amortised as at 31 March 2016 in respect of the long-term finance lease agreement is as below:

(₹ in million)

Exchange loss arising on reporting of long-term foreign currency monetary items relating to depreciable assets:	As at 31 March 2016	As at 31 March 2015
Amount remaining to be amortised at the beginning of the year	**Nil**	Nil
Add: Prior period Exchange loss/(gain)	**8,184.77**	Nil
Add: Exchange loss/(gain) arising during the year	**1,454.21**	Nil
Less: Prior period depletion	**1,068.11**	Nil
Less: Depletion charged to Statement of Profit and Loss for the year	**547.29**	Nil
Add: Foreign currency translation adjustment	**106.20**	Nil
Amount remaining to be amortised at the end of the year	**8,129.78**	Nil

16. Other tangible assets

(₹ in million)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1 April 2015	Additions during the year	Foreign Currency Translation Adjustment	Deletions / Adjustments during the year	As at 31 March 2016	As at 1 April 2015	For the year	Foreign Currency Translation Adjustment	Deletions / Adjustments during the year	Up to 31 March 2016	As at 31 March 2016	As at 31 March 2015
1. Land (Leasehold)	**2,291.98**	-	39.55	7.73	**2,323.80**	138.47	84.18	4.96	7.09	**220.52**	**2,103.28**	2,153.51
2. Land (Freehold)	**3.39**	-	-	-	**3.39**	-	-	-	-	**-**	**3.39**	3.39
3. Building	**8,640.55**	82.91	86.84	710.06	**8,100.24**	2,736.32	497.22	(82.33)	41.59	**3,109.62**	**4,990.62**	5,904.23
4. Plant & Equipment	**225,422.81**	936.28	(2,447.10)	165,774.12	**58,137.87**	105,724.05	3,570.48	(2,962.63)	64,813.99	**41,517.91**	**16,619.96**	119,698.76
5. Furniture & Fixtures	**426.04**	21.85	0.09	3.03	**444.95**	229.76	71.55	-	2.57	**298.75**	**146.20**	196.28
6. Vehicles	**2,055.44**	166.65	15.96	146.70	**2,091.35**	1,617.92	185.97	(20.15)	37.72	**1,746.02**	**345.33**	437.52
7. Office Equipments	**9,446.10**	69.03	805.93	203.47	**10,117.59**	8,591.04	283.34	685.11	45.43	**9,514.06**	**603.53**	855.06
TOTAL	**248,286.31**	**1,276.72**	**(1,498.73)**	**166,845.11**	**81,219.19**	**119,037.56**	**4,692.74**	**(2,375.04)**	**64,948.39**	**56,406.87**	**24,812.32**	**129,248.75**
Previous year	**167,896.68**	76,214.97	4,353.08	178.42	248,286.31	97,903.38	16,783.71	4,796.92	446.45	119,037.56	129,248.75	69,993.30
The above includes the company's share in Joint Venture Assets: Current year	240,501.38	925.61	2,073.79	166,290.52	77,210.26	113,951.33	4,446.35	1,273.14	64,921.91	54,748.91	22,461.35	126,550.05
Previous year	**163,934.09**	75,345.43	1,300.94	79.07	240,501.38	96,564.20	16,306.43	1,132.34	51.64	113,951.33	126,550.05	63,467.53

a. Title to Fixed Assets under Production Sharing Agreements

The Company and Joint Venture Company, in consortium with other partners (Consortium) carries on its business in respect of exploration, development and production of hydrocarbons under agreements with host governments. Several of these agreements, governing Company's activities in the fields / projects, provide that the title to the fixed assets and other ancillary installations shall pass to host Government or its nominated entities either upon acquisition / first use of such assets or upon 100% recovery of such costs through allocation of "Cost Oil" and "Cost Gas" or upon relinquishment of the relevant contract areas or termination of the relevant agreement. However, as per the terms of the agreements, the Consortium and/ or operator has the custody of all such assets and is entitled to use, free of charge all such assets for petroleum operations throughout the term of the respective agreements. The Consortium also has the custody and maintenance of such assets and bears all risks of accidental loss and damage and all costs necessary to maintain such assets and to replace or repair such damage or loss. Under the circumstances, such assets are kept in the records of the Company during the currency of the respective agreements.

17. Capital work in progress

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
A. Development wells in progress		
Opening Balance	**21,228.14**	15,886.29
Add: Expenditure during the year	**25,599.37**	26,359.85
Add: Depreciation during the year	**28.64**	88.15
Less: Transfer to Oil & Gas assets	**35,419.63**	18,866.40
Add: Foreign Currency Translation Adjustment	**(168.29)**	(2,239.75)
Closing Balance	**11,268.23**	21,228.14
Less: Provision for Development wells in progress (note 17a)		
Opening Balance	**83.74**	83.74
Provided during the year	**-**	-
Total Provision for Development wells in progress	**83.74**	83.74
Development wells in progress (A)	**11,184.49**	21,144.40
B. Others		
Buildings	**2,422.09**	1,931.80
Plant & Equipment	**46,574.46**	37,136.30
Office Equipment	**296.31**	16.23
Total Others (B)	**49,292.86**	39,084.33
Total (A+B)	**60,477.35**	**60,228.73**

a. The Company has 60% PI in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since 29 April 2012. In view of the same provision had been made in respect of cost of development wells in progress amounting to ₹ 83.74 million (Previous year: ₹ 83.74 million).

18. Exploratory wells in progress

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
Opening Balance	**35,428.87**	30,553.69
Add: Expenditure during the year	**5,036.65**	8,269.79
Add: Depreciation during the year	**1.59**	0.39
Less: Transfer to Oil & Gas Assets	**752.30**	1,382.30
Less: Wells written off during the year	**2,027.48**	2,601.17
Add: Foreign Currency Translation Adjustment	**951.94**	588.47
Closing Balance (Gross EWIP)	**38,639.27**	35,428.87
Less: Provision for Exploratory wells in progress (Note 18a and 18b)		
Opening Balance	**3,425.45**	3,416.85
Add: Provided during the year	**23.77**	8.60
Total Provision for Exploratory wells in progress	**3,449.22**	3,425.45
Exploratory wells in progress (A)	**35,190.05**	32,003.42
Less : Provision for Impairment (B)	**73.81**	65.86
Net Exploratory wells in progress (A-B)	**35,116.24**	**31,937.56**

a The Company has 60% PI in Block XXIV, Syria where the development is currently suspended. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since 29 April 2012. In view of the same provision had been made in respect of cost of exploratory wells amounting to ₹ 1,914.29 million (Previous period: ₹ 1,914.29 million) in respect of the project.

b In respect of Block Farsi, Iran, the Company in consortium with other partners entered into an Exploration Service Contract (ESC) with National Iranian Oil Company (NIOC) on 25 December 2002. After exploratory drilling, FB area of the block proved to be a gas discovery and was later rechristened as Farzad-B. NIOC announced the Date of Commerciality for Farzad-B as 18 August 2008. However, the Development Service Contract is pending. Provision has been made in respect of the Company's investment in exploration in the Farsi Block amounting to ₹ 1,534.93 million (previous period: ₹1,511.16 million).

19a Other intangible assets (Software)17. Other intangible assets (Software)

(₹ in million)

Particulars	As at 31 March 2016				DEPRECIATION				NET BLOCK			
	As at 1 April 2015	Additions during the year	Foreign Currency Translation Adjust-ment	Deletions / Adjust-ments during the year	As at 31 March 2016	As at 1 April 2015	For the year	Foreign Currency Transl-ation Adjus-tment	Deletions / Adjust-ments during the year	Up to 31 March 2016	As at 31 March 2016	As at 31 March 2015
1. Software	594.24	278.03	11.78	-0.51	884.56	467.53	65.08	8.65	-0.51	541.77	342.79	126.71
TOTAL	**594.24**	**278.03**	**11.78**	**-0.51**	**884.56**	**467.53**	**65.08**	**8.65**	**-0.51**	**541.77**	**342.79**	**126.71**
Previous year	409.54	181.25	3.31	-0.14	594.24	315.26	148.08	4.19	-	467.53	126.71	94.28
The above includes the company's share in Joint Venture Assets:												
Current year"	594.18	278.03	11.78	-0.51	884.5	467.47	65.08	8.65	-0.51	541.71	342.79	126.71
Previous year	409.48	181.25	3.31	-0.14	594.18	315.2	148.08	4.19	-	467.47	126.71	94.28

19b Other intangible assets (Acquisition Cost)

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2016
Acquisition Cost*	**162,938.42**	148,980.29
Less: Provision for acquistion cost		
Opening balance	**408.90**	-
Provided during the year**	**13,064.98**	408.90
Total provision for acquisition cost	**13,473.88**	408.90
Total	**149,464.54**	148,571.39

*Acquisition cost relates to the cost for acquiring property or mineral rights of proved or unproved oil and gas properties which are currently under Exploration/ Development stage, such cost which will be transferred to Oil & Gas Assets on commencement of commercial production from the project or written off in case of relinquishment of exploration project.

** Refer Note 48g

20. Goodwill

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Gross Goodwill (A)	254,345.24	260,020.60
Accumulated Amortisation (B)	55,634.32	48,142.86
Provision for impairment (C)*	31,333.35	19,533.69
Net Goodwill (A-B-C)	167,377.57	192,344.05

* Refer Note 48g

21. Deposits/Investments for Site Restoration Fund

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Deposits/Investments for Site Restoration Fund (Note 21a and Note 21b)	12,156.88	10,980.19
TOTAL	12,156.88	10,980.19

a. The investments for site restoration of the Sakhalin-1, Russia are invested by J P Morgan Chase Bank the Foreign Party Administrator (FPA) in accordance with the Portfolio Investment Guidelines provided under the Sakhalin1 Abandonment Funding Agreement entered into by the FPA and the foreign parties to the Consortium in accordance with the Production Sharing Agreement (PSA). This investment will be utilized for funding the Abandonment Liability to the Russian State as per the PSA.

b. The investments in the bank for site restoration of the Block 06.1, Vietnam. The amounts are invested in accordance with Decision 40/2007/QD-TTg dated 21 March 2007 and Agreement for Abandonment Fund Security between Vietnam Oil and Gas Group and TNK Vietnam B.V. and ONGC Videsh Limited in respect of Block 06.1, Vietnam dated 10 December 2014 in a separate bank account maintained for abandonment fund purposes.

22. Deferred tax assets

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred Tax Assets	11,857.61	11,733.88
TOTAL	11,857.61	11,733.88

Refer Note 43b

23. Long-term loans and advances

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Secured, considered good		
Other loans and advances	130.78	138.59
Unsecured, considered good		
Loans and advances to Key Management Personnel	1.58	1.22
Other loans and advances	12.23	10.83
Deposits	0.95	336.75
Carry Finance to JV Partner	12,860.47	11,117.72
Doubtful		
Other loans and advances (Note 23c)	5,093.78	2,570.65
Sub Total (A)	18,099.79	14,175.76
Less : Provision for bad and doubtful loans and advances		
Other loans and advances (Note 23c)	5,093.78	2,570.65
Sub Total (B)	5,093.78	2,570.65
TOTAL	13,006.01	11,605.11

a. **Loans and advances**

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Current (Note 28)	5,849.95	4,916.78
Non-Current	13,006.01	11,605.11
Total	18,855.96	16,521.89

b. **Loans and advances to related party represent due from key managerial personnel as employee (as per the policy of the Company)**

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Current (Note 28)	0.95	1.02
Non-Current	1.58	1.22
Total	2.53	2.24

c. The Company has participating interest (PI) in the exploration Blocks 5A South Sudan, Satpayev Area Kazakhstan, SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar. As per the carry agreements, the Company is financing expenditure in these exploration blocks during the exploratory period (carry loan). The amount of carry loan will be refunded in the event of commercial discovery and production from the projects. The share of expenditure financed by the Company in these Blocks has been accounted for as loan to JV partners.

Provision has been made towards the amount of carry loan of ₹ 5,093.78 million (Previous year: ₹ 2,570.65 million) in view of the blocks being under exploration as there is no certainty of commercial discovery.

The amount of carry loan in Block Satpayev Area Kazakhstan will be refunded by KMG along with accrued interest in the event of commercial discovery and production from the project. The interest on the carry loan has not been accounted for in view of uncertainty of recovery.

24. Other Non-current assets

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
Secured, considered good		
Interest Accrued on Loans to Employees	142.24	147.27
Unsecured, considered good		
Trade receivables realisable beyond 12 months from the end of reporting period	80,886.08	60,877.54
Prepaid Expenses	293.73	-
Forward Exchange Contract - Receivable	8,672.26	-
Deferred Premium on Forward Exchange Contract	637.50	-
Interest accrued on Site Restoration Fund (Note 24b)	0.68	-
Discount on Issue of Debenture	382.48	479.10
Doubtful		
Trade receivables realisable beyond 12 months from the end of reporting period	134.28	126.77
Investment in lease	4,966.85	4,638.98
Sub Total (A)	96,116.10	66,269.66
Less : Allowance for bad and doubtful loans and advances		
Trade receivables realisable beyond 12 months from the end of reporting period	10,083.92	8,665.14
Investment in lease	4,966.85	4,638.98
Sub-Total (B)	15,050.77	13,304.12
TOTAL (A -B)	81,065.33	52,965.54

a. **Other Assets**

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Non-Current	81,065.33	52,965.54
Current (Note No 29)	24,401.52	26,432.16
Total	**105,466.85**	79,397.70

b. Interest accrued on Site Restoration Fund is related to Block 06.1, Vietnam. This amount will be adjusted against the payment of last installment.

25. Inventories*

₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Finished Goods	1,257.73	1,025.15
Stores & Spares	11,967.11	10,134.16
Less: Provision for obsolete and non-moving inventories	2,273.04	2,254.33
(In respect of Joint Venture)		
TOTAL	**10,951.80**	8,904.98

*As taken, valued and certified by the Management

In case of joint venture arrangements where the property in crude oil produced does not pass on upto a specific delivery point, the stock of crude oil till such delivery point is not recognised by the Company.

26. Trade receivables

₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Outstanding for a period exceeding six months	6,142.79	9,136.18
Other receivables	17,672.81	20,124.77
Doubtful		
Outstanding for a period exceeding six months	73.45	65.15
Sub Total (A)	**23,889.05**	29,326.10
Less : Allowance for bad and doubtful trade receivables		
Outstanding for a period exceeding six months	73.45	65.15
Sub Total (B)	**73.45**	65.15
TOTAL (A-B)	**23,815.60**	29,260.95

27. Cash and cash equivalents

₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Balances with Banks		
in current account	2,910.69	7,353.38
in deposits (Note 27a)	5,674.45	12,111.34
Cash on hand		
at India	0.60	0.59
at Overseas	2.55	2.54
Others		
Cash & Bank Balances	4,916.85	4,360.41
(In respect of Joint Ventures)		

Particulars	As at 31 March 2016	As at 31 March 2015
Earmarked balances	-	1.18
TOTAL	**13,505.14**	23,829.44

a. The deposits maintained by the Company with banks comprise time deposit, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

28. Short-term loans & advances

(₹ in million)

Particulars		As at 31 March 2016		As at 31 March 2015
A. Secured - Considered Good				
Loans & advances to employees		42.20		45.39
Total Secured - Considered Good (A)		42.20		45.39
B. Unsecured - Considered Good unless otherwise stated				
Loans & advances to employees		16.08		9.87
Loans & Advances to Key managerial personnel (Note 28a)		0.95		1.02
Deposits		61.94		36.49
Advances recoverable in cash or in kind or for value to be received		646.83		664.18
Advances recoverable in cash or in kind or for value to be received (In respect of Joint Ventures)		5,081.95		4,159.83
Total Unsecured - Considered Good (B)		5,807.75		4,871.39
C. Unsecured - Considered Doubtful				
Advances recoverable in cash or in kind or for value to be received	-		972.24	
Carry Finance to JV Partners	1,920.48		1,813.10	
	1,920.48		2,785.34	
Less:Provisions for Doubtful Advances and Claims	1,920.48		2,785.34	
Total Unsecured - Considered Doubtful (C)		-		-
LOANS AND ADVANCES (A+B+C)		5,849.95		4,916.78

a. As per the policy of Company.

b. Attention is invited to Note 23a for Current & Non - Current classification of loans and advances

29. Other current assets

(₹ in million)

Particulars		As at 31 March 2016		As at 31 March 2015
Prepaid expenses for Underlift Quanity		493.35		345.30
Interest Accrued on:				
Deposits with Banks		39.45		55.86
Others		509.10		443.50
Other Current Assets		356.98		681.93
Discount on Issue of Debenture		96.62		96.88
Deferred Premium on Forward Contract		142.88		-
VAT Receivable		852.06		918.50
Advances recoverable in cash or in kind or for value to be received		20,115.88		18,280.09
(In respect of Joint Ventures)				

Particulars	As at 31 March 2016		As at 31 March 2015	
Taxes (Income Tax, Wealth Tax and Fringe Benefit Tax) :				
Advance Payment	14,134.06		21,158.74	
Less: Provision for tax	12,338.86	1,795.20	15,548.64	5,610.10
TOTAL		24,401.52		26,432.16

a. Attention is invited to Note 24a for Current & Non - Current classification of Other Current Assets.

30. Revenue from operations

(₹ in million)

Particulars	2015-16	2014-15
Sale of products		
Crude Oil	95,074.14	164,931.60
Gas	20,347.16	18,533.93
Condensate	757.60	1,445.39
Total	116,178.90	184,910.92
Less: Value Added Tax	1,574.16	1,683.02
Net revenue from Sale of products (A)	114,604.74	183,227.90
Other Income from Operations (B)	9,249.57	5,589.08
Total Revenue from Operations (A+B)	123,854.31	188,816.98

31. Other income

(₹ in million)

Particulars	2015-16	2014-15
Interest Income on:		
Deposits with Banks	176.32	443.28
Loans and Advances to Employees	8.44	7.89
Others	1,387.39	41.56
Lease Income	423.02	472.21
Gain on Foreign Exchange Forward Contract / Derivatives	116.24	126.41
Miscellaneous Receipts	1,754.15	1,580.53
TOTAL	3,865.56	2,671.88

32. Production, Transportation, Selling and Distribution Expenditure

(₹ in million)

Particulars	2015-16	2014-15
Production Expenditure	24,175.44	28,184.19
Transportation Expenditure	5,143.55	4,954.39
Royalty	13,042.79	25,372.05
Staff Expenditure	5,265.44	4,446.12
Other Levies	1,793.09	3,267.06
Rent	552.62	575.72
Repair to Buildings	2.14	119.73
Repair to Machinery	2.77	3.42
Other Repairs and Maintenance	515.87	436.90
Insurance	156.15	197.85

Particulars	2015-16	2014-15
Other Expenses	5,152.36	4,619.90
TOTAL	55,802.22	72,177.33

a. Royalty : refer para 2.1.6 of Note 1.

b. Details of Production, Transportation, Selling and Distribution Expenditure

(₹ in million)

Particulars	2015-16	2014-15
(i) Staff Expenditure		
a. Salaries, Wages, Ex-gratia etc.	4,474.12	3,287.76
b. Contribution to Provident Fund and other Funds	491.59	265.92
c. Provision for Gratuity	9.20	483.59
d. Provision for Leave Encashment	176.86	244.34
e. Provision for medical / Terminal Benefits	6.88	(19.29)
f. Staff Welfare Expenses	106.80	183.80
Sub Total (A)	5,265.44	4,446.12
(ii) Rent	552.62	575.72
(iii) Electricity, Water and Power	456.86	578.00
(iv) Repairs to Buildings	2.14	119.73
(v) Repairs to Plant and Machinery	2.77	3.42
(vi) Other Repairs	515.87	436.90
(vii) Hire Charges of Vehicles	76.25	65.09
(viii) Professional Charges	614.46	742.72
(ix) Telephone and Telex	120.29	116.24
(x) Printing and Stationery	12.59	4.88
(xi) Business Meeting Expenses	27.19	6.27
(xii) Traveling Expenses	207.03	214.64
(xiiii) Insurance	156.15	197.85
(xiv) Advertisement and Exhibition Expenditure	24.55	23.97
(xv) Contractual Transportation	5,143.55	4,954.39
(xvi) Miscellaneous Expenditure	175.29	169.08
(xvii) Other Operating Expenditure*	27,613.28	30,883.20
(xviii) Royalty	13,042.79	25,372.05
(xix) Statutory Levies (Service Tax and Other Levies & Windfall Tax)	1,793.09	3,267.06
Sub Total (B)	50,536.78	67,731.21
Total (A+B)	55,802.22	72,177.33

* The other operating expenditure (no. xvii above) includes the expenses in respect of Sakhalin-1, Russia, where the details are not made available by the Operator of the project in the above mentioned heads.

c. The operations of the Company are outside India and therefore the eligible Net Profit for the purpose of CSR under the Companies Act, 2013 shall be "Nil" during the year. However, during the current year, the Company has made a total expenditure of ₹ 90.88 million (Previous year: ₹ 83.67 million) towards CSR activities outside India directly or through its joint ventures.

d. Professional charges in Note 32b (viii) includes statutory auditors remuneration (excluding Subsidiaries and Joint Venture Company) as under:

e. The expenditure incurred by Oil and Natural Gas Corporation Limited or its subsidiaries on behalf of the Company are accounted for on the basis of debit raised by them for which supporting documents are held by the parent companies/subsidiaries.

33. Changes in inventories of finished goods*

(₹ in million)

Particulars	2015-16		2014-15	
Closing Stock		**1,257.73**		1,025.15
Opening Stock	**1,025.15**		2,290.36	
Less: Adjustment	**31.68**	**993.47**	241.47	2,048.89
(Increase)/decrease in inventories of finished goods		**(264.26)**		1,023.74

*As taken, valued and certified by the Management

34. Financing Costs

(₹ in million)

Particulars	2015-16	2014-15
Interest On		
Finance Lease	**489.52**	527.55
Bonds & Debentures	**10,820.92**	9,047.29
Less: Capitalised	**(5,033.03)**	(2,929.33)
Others	**8.10**	10.00
Foreign exchange fluctuation related to borrowing costs	**6,103.12**	18,040.26
Discount on issue of bonds	**96.88**	72.44
TOTAL	**12,485.51**	24,768.21

35. Depreciation, Depletion and Amortisation

(₹ in million)

Particulars	2015-16	2014-15
Depreciation on tangible assets	**4,692.74**	5,792.43
Amortisation - intangibles	**65.08**	148.08
Depletion	**42,468.84**	44,936.37
Amortisation of Goodwill	**4,796.35**	4,415.75
TOTAL	**52,023.01**	55,292.63

36. Other expenses

(₹ in million)

Particulars	2015-16	2014-15
Net (gain) or loss on foreign currency transactions and translation (other than finance cost)	**(12,785.09)**	(7,478.97)
Amortization of Deffered premium on Forward Exchange Contract	**14.77**	-
Provision for Mark-to-Market loss on Derivative Contracts (Note no. 52)	**286.32**	107.46
Other Expenses	**92.74**	112.28
TOTAL	**(12,391.26)**	(7,259.23)

37. Provisions & Write-Offs (Net)

(₹ in million)

Particulars	2015-16	2014-15
Provision for impairment	-	3,741.69
Provision for investment in lease (net of set off)	**284.69**	243.93
Provisions for doubtful debts/claims (Note 37 a)	**2,743.60**	4,675.56
Provision for wells in progress	**23.77**	8.60
Provision for non-moving inventory/(reversal)	**5.86**	223.65
Excess provisions written back	**(171.39)**	(30.45)
Provision for minimum work programme	**1,658.75**	-
Other write off	**270.13**	3,433.57
TOTAL	**4,815.41**	12,296.55

a. Provision for doubtful debts/claims includes Provision towards carry loan of ₹ 2,523.28 million (Previous year: ₹809.41 million) to KMG,₹ 0.76 million (Previous year: ₹ 0.36 million) to Machinery & Solutions Company Limited and ₹0.34 million (Previous year: ₹ 5.76 million) to Bangladesh Petroleum Exploration & Production Company Limited in view of the blocks being under exploration and there is no certainty of commercial discovery. Attention is invited to Note 23c.

38. Decrease/(increase) due to Overlift/Underlift quantity

(₹ in million)

Particulars	2015-16	2014-15
Underlift (overlift) - opening balance	**200.95**	(352.02)
Underlift (overlift) - closing balance	**695.41**	200.94
Decrease/(increase) in overlift/underlift	**(494.46)**	(552.96)

39. Adjustments relating to prior period (Net)

(₹ in million)

Particulars	2015-16	2014-15
Expenses		
Survey Expenses	-	(1,202.69)
Foreign exchange variation*	**(8,184.77)**	-
Other Expenses	-	150.03
Depletion*	**1,068.11**	-
Sub-Total (A)	**(7,116.66)**	(1052.66)
Income		
Miscellaneous Items	-	160.79
Sub-Total (B)	-	160.79
TOTAL (A - B)	**(7,116.66)**	(1213.45)

*Refer Note 15 d.

40. Exceptional items

(₹ in million)

Particulars	2015-16	2014-15
Provision for impairment*	**30,471.74**	-
Total	**30,471.74**	-

*Refer Note 48 g.

41. Earnings per equity share (EPS)

(₹ in million)

Particulars	2015-16	2014-15
Profit/(Loss) for the year (₹ in million)	(20,935.50)	19,042.21
Number of equity shares	1,000,000,000	1,000,000,000
Basic and Diluted earnings per equity share (₹)	(20.94)	19.04

(Per equity share of ₹100 each)

42. The required disclosure under the Accounting Standard 15 (Revised) is given below:

a. Brief Description: A general description of the type of Defined Benefit Plans is as follows:

(i) Earned Leave (EL) Benefit

Accrual -30 days per year

Encashment while in service-75% of Earned Leave balance subject to a maximum of 90 days per calendar year
Encashment on retirement – maximum 300 days.

(ii) Good Health Reward (Half Pay Leave)

Accrual -20 days per year

Encashment while in service –Nil

Encashment on retirement - 50% of Half Pay Leave balance.

(iii) Gratuity

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 1.00 million.

(iv) Post-Retirement Medical Benefits

Upon payment of one time prescribed contribution by the employees, full medical benefits on superannuation and on voluntary retirement subject to the completion of minimum 20 years of service and 50 years of age.

(v) Terminal Benefits

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Travelling Allowance.

b. The amounts recognized in financial statements for defined contribution plans are as under:

(₹ in million)

Defined Contribution Plans	Expense Recognized during 2015-16		Contribution for Key Management Personnel during	
	2015-16	2014-15	2015-16	2014-15
Contributory Provident Fund	50.28	46.48	0.92	0.78
Employee Pension Scheme -95	6.82	6.55	0.05	0.02
Composite Social Security Scheme	4.08	2.99	0.11	0.10

c. The amounts recognized in the balance sheet for post-employment benefit plans are as under:

(₹ in million)

Particulars	Gratuity		Leave		Post-Retirement Medical Benefits		Terminals Benefits	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Present Value of Funded Obligation	98.25	80.08	295.29	280.43	19.53	15.27	1.03	0.79
Fair Value of Plan Assets	107.79	-	181.31	151.73	-	-	-	-
Funded status / Difference	9.54	(80.08)	(113.98)	(128.70)	(19.53)	(15.27)	(1.03)	(0.79)
Unrecognized Past Service Cost	-	-	-	-	-	-	-	-
Net Asset / (Liability)	9.54	(80.08)	(113.98)	(128.70)	(19.53)	(15.27)	(1.03)	(0.79)

d. The amounts included in the fair value of plan assets of gratuity fund in respect of Reporting Enterprise's own financial instruments and any property occupied by, or other assets used by the reporting enterprise are ₹ Nil (Previous Year ₹ Nil)

e. Reconciliation showing the movements during the year in the net liability recognized in the balance sheet:

(₹ in million)

Particulars	Gratuity		Leave		Post-Retirement Medical Benefits		Terminals Benefits	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening defined benefit obligation	80.08	68.69	280.43	293.30	15.27	14.59	0.79	0.67
Current Service Cost	18.89	16.72	93.59	114.82	3.85	3.26	0.20	0.17
Past Service Cost	-	-	-	-	-	-	-	-
Interest Cost	6.81	6.01	23.84	25.66	1.30	1.28	0.07	0.06
Actuarial Losses (Gains)	0.98	(11.35)	(65.91)	(80.11)	(0.88)	(3.86)	(0.03)	(0.11)
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Less: Benefits paid	(8.51)	-	(36.66)	(73.24)	-	-	-	-
Closing defined benefit obligation	98.25	80.08	295.29	280.43	19.53	15.27	1.03	0.79

f. The total expenses recognized in the statement of profit and loss are as follows:

(₹ in million)

Particulars	Gratuity		Leave		Post-Retirement Medical Benefits		Terminals Benefits	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Current Service Cost	18.89	16.72	93.59	114.82	3.85	3.26	0.20	0.17
Interest on Obligation	6.81	6.01	23.84	25.66	1.30	1.28	0.07	0.06
Expected Return on plan assets	(9.49)	-	(15.18)	(16.03)	-	-	-	-
Net Actuarial Losses / (Gains) recognized in year	2.02	(11.35)	(67.65)	(81.45)	(0.88)	(3.86)	(0.03)	(0.11)
Past Service Cost	-	-	-	-	-	-	-	-
Losses (Gains) on curtailments and settlement	-	-	-	-	-	-	-	-
Total included in 'Employee Benefit Expense'	18.23	11.38	34.60	43.00	4.26	0.68	0.24	0.12

g. Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

(₹ in million)

Particulars	Gratuity		Leave		Post-Retirement Medical Benefits		Terminals Benefits	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Discount Rate	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%
Expected Return on Plan Assets	8.80%	-	9.50%	-	-	-	-	-
Annual Increase in healthcare costs	-	-	-	-	-	-	-	-
Annual Increase in Salary	5.50%	6.00%	5.50%	6.00%	5.50%	6.00%	5.50%	6.00%

h. Effect of 1.00 % increase and decrease in inflation rate on Post Retirement Medical Benefits as at 31 March 2016:

(₹ in million)

Particulars	1.00 % (+)		1.00 % (-)	
	2015-16	2014-15	**2015-16**	2014-15
a) Effect on service and interest cost	**1.20**	1.10	**(0.81)**	(0.68)
b) Effect on Present Benefits Obligation (Closing)	**4.68**	3.70	**(2.69)**	(2.11)

The employees of the Company are deputed from the parent company Oil and Natural Gas Corporation Limited and governed as per the parent company policy for employee benefit. All the scheme relating to employee benefits are administered by the parent company and accordingly the year end provision of employee benefits from the current year are settled by transfer to the parent company.

43 a Taxation

SL No	ASSESMENT YEARS	DISPUTED AMOUNT (₹ in million)	PARTICULARS
1	1981-82 to 1987-88	94.04	The Company had appealed to Hon'ble Delhi High Court against the decision of Income Tax Appellate Tribunal (ITAT) for the Assessment Years 1981-82 to 1987-88 regarding disallowance of its claim on account of depreciation, development allowance and receipt of interest on delayed payments in respect of Iran Project. However, pending decision the tax demand in this regard was paid by the Company. The matter has been remanded back by the Hon'ble Delhi High Court to the ITAT for fresh hearing vide order dated 30 March 2011 and the proceedings are under progress.
2	2002-03	3,958.54	The Company had filed appeals with Commissioner of Income Tax (Appeals) [CIT (Appeals)] against the disallowance of depreciation on acquisition costs of the projects and other expenses as well as addition to income made by the assessing officer ("AO"). CIT (Appeals), while disposing off the appeals for assessment years 2002-03 and 2003-04 , partially deleted the disallowances. The Company filed appeals with the Income Tax Appellate Tribunal (ITAT) against the orders of CIT (Appeals). The Company got favorable decisions from ITAT for AY 2002-03 and AY 2003-04 and the disallowances made by the AO have been deleted by ITAT. While the Department filed appeal in the High Court of Delhi (the "Delhi HC") against the said order of ITAT for 2002-03, the Company also approached the Delhi HC against the said order with the appeal that the acquisition cost be treated as revenue expenditure and both the appeals were dismissed for want of approval of Committee of Dispute . For AY 2003-04, department has filed an appeal before the High Court against the order of CIT (Appeals) which is pending for disposal. For the assessment years 2004-05 and 2005-06, CIT(Appeals) decided the appeals in favor of the Company. The Department filed appeal in ITAT against the CIT (A) orders for AY 2004-05 and 2005-06 which were also been dismissed in favour of the Company. Further, deparment has filed appeals before the High Court for AY 2004-05 and AY 2005-06 against the order of ITAT which is pending for disposal. For the assessment years 2006-07 to 2009-10, CIT (A) has decided the appeals in favour of the Company on most of the grounds amounting in aggregate to ₹ 3657.38 Million, ₹ 5548.92 million, ₹ 4522.32 million and ₹ 4072.49 million in respective years and a closing stock adjustment of ₹ 68.59 million and ₹ 56.61 million which have been allowed as deduction in AY 2008-09 and AY 2009-10 respectively as against the claim made for AY 2007-08 and AY 2008-09. The Company has filed appeals before the ITAT against the addition confirmed by CIT(A) for AY 2006-07 to AY 2008-09 and department has also filed appeals before ITAT against the additions/disallowances deleted by CIT(A) for AY 2006-07 to 2009-10, which are pending for disposal. For assessment years 2010-11, 2011-12 and 2012-13, ONGC Videsh Limited. filed appeals before CIT (Appeals) which are pending for disposal.
	2003-04	3,006.17	
	2004-05	3,470.29	
	2005-06	3,212.03	
	2006-07	4,683.46	
	2007-08	5,617.51	
	2008-09	4,578.92	
	2009-10	4,072.49	
	2010-11	3,907.63	
	2011-12	3,103.45	
	2012-13	7,604.52	
3	2005-06	**709.88**	For the assessment year 2005-06, the Company had claimed foreign tax credit under the India-Vietnam double tax avoidance agreement with respect to tax deemed to be paid. The claim was duly supported by report of a reputed accounting and tax firm in Vietnam and accepted by the AO. The CIT had issued an order dated 29 March 2010 holding the allowance of the credit to be erroneous and directed the AO to re-compute the tax payable and allow credit only on the basis of certificate to be obtained by the Company from Vietnam tax authorities. The Company had filed appeal with the Income Tax Appellate Tribunal (ITAT) to contest the same on the ground that the decision of the CIT is not in accordance with the law. The Company had also approached Vietnam Tax Authorities (VTA) for required certificate. However, the AO vide his order dated 21 December 2010 withdrew the credit allowed for ₹ 709.88 million and the resulting demand for ₹ 958.34 million was adjusted by the AO against refunds due to the Company. The Company filed appeal before CIT (A) against the order of the AO. Further, the VTA vide their notice dated 5 August 2011 had confirmed the tax amounts for the calendar years 2003 to 2006. CIT (A) vide its order dated 8 July 2013 has allowed the appeal in favour of ONGC Videsh Limited. and directed AO to allow the credit of notional Vietnam taxes deemed to have been paid in Vietnam after verification of details with reference to certificates issued by Vietnamese Tax Authorities (VTA).
4	2006-07	**345.38**	Assessing Officer had initiated penalty proceedings vide notice dt. 05.03.2015 in view of the addition confirmed by CIT(A) regarding the claim of expenditure amounting to ₹ 1026.08 million on account of additional invoice raised by EPC contractor w.r.t. Sudan Pipeline Project. The proceedings were completed and the AO has issued a penalty order dt. 30.03.2015 and also raised a demand of ₹ 345.38 million by levying penalty on the said addition. The Company has filed an appeal before CIT(A) against the order of AO, which is pending for disposal. The Company has not accepted the penalty imposed by AO and no provision has been created for additional tax liability, if any, on this account.
5	For the amount of contingent liability in respect of disputed tax demand attention is invited to Note no.51(ii).		

43 b Deferred Tax Provision

Consolidated deferred tax liability as at 31 March 2016 aggregated to ₹ 17,876.71 million (Previous year: ₹15,104.48 million) and consolidated deferred tax asset as at 31 March 2016 aggregated to ₹11,857.61 million (Previous year: ₹11,733.88 million).

The item wise details of Net Deferred Tax Liability/Asset as on 31 March 2016 accounted for in accordance with Accounting Standard (AS) 22 viz. accounting for Taxes on Income are as under:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred Tax Liability of ONGC Videsh Limited		
Deferred Tax Assets :		
Carried Forward Expenditure U/S 42 of Income Tax Act, 1961	-	-
Other disallowances under Income Tax Act, 1961	5,565.87	3,822.33
Total Deferred Tax Assets	5,565.87	3,822.33
Deferred Tax Liability :		
Difference in claim of Expenditure u/s 42 of Income Tax Act, 1961	3,552.30	1,620.96
Difference in Net Block of Fixed Assets for Tax	9,181.70	10,268.16
Total Deferred Tax Liability	12,734.00	11,889.12
Net Deferred Tax Liability of the Company	**7,168.13**	**8,066.79**
Net Deferred Tax Liability of ONGBV	6,465.49	5,462.66
Net Deferred Tax Liability of OAAL	1,550.03	1,192.33
Net Deferred Tax Liability of Carabobo One AB	2,601.26	382.70
Net Deferred Tax Liability of OVAI	1.80	-
Consolidated Net Deferred Tax Liability	**17,786.71**	**15,104.48**
Net Deferred Tax Asset of ONGBV	10,325.35	11,244.67
Net Deferred Tax Asset of OAAL	1,532.26	489.21
Net Deferred Tax Asset of Carabobo One AB	-	-
Consolidated Net Deferred Tax Asset	**11,857.61**	**11,733.88**

44. Details of Joint Ventures:

The details of Company's and its Subsidiaries' significant joint ventures as on 31 March 2016 are as under :-

Sr. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
1	Block 06.1 Vietnam, Offshore	45%	TNK Vietnam B.V. -35% Petrovietnam - 20%	TNK Vietnam B.V.	The project is under development and production
2	Block 2a, 2b & 4, GNPOC. Sudan, (Through ONGC Nile Ganga B.V.)	25%	CNPC - 40% Petronas - 30% Sudapet - 5%	Joint Operatorship (GNPOC)	The project is under production.
3	Block 1a, 1b, & 4, GPOC South Sudan, (Through ONGC Nile Ganga B.V.)	25%	CNPC - 40% Petronas - 30% Nilepet - 5%	Joint Operatorship (GPOC)	The project is under production. Currently under temporary shutdown due to security situation.
4	Block 5A South Sudan, Onshore	24.125%	Petronas - 67.875% Nilepet - 8%	Joint Operatorship (SPOC)	The project is under exploration, development and production. Currently under temporary shutdown due to security situation.

Sr. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
5	Sakhalin -1 Project, Russia, Offshore	20%	ENL - 30% SODECO - 30% SMNG - 11.5% R N Astra – 8.5%	ENL	The project is under development and production
6	AFPC Project Syria, Onshore (Through ONGC Nile Ganga B.V.)[1]	38.75%	Fulin – 50% Mittals – 11.25%	SSPD	The project is under production. Currently under temporary shutdown due to security situation.
7	MECL Colombia, Onshore (Through ONGC Amazon Alaknanda Limited)	50%	Sinopec – 50%	Joint Operatorship	The project is under exploration, development and production
8	Block BC-10 Brazil, Offshore (Through ONGC Nile Ganga B.V.)	27%	Shell – 73%	Shell	The project is under development and production
9	OOO Imperial Frac Service (Through Imperial Energy Ltd)	50%	Mr. Vladimir Aleksandrovich Borisov – 50%	ONGC Videsh	The company provides Fraccing Services
10	San Cristobal Project Venezuela, Onshore (Through ONGC Nile Ganga B.V.)	40%	CVP- 60%	Joint Operatorship	The project is under development and production
11	Block A-1 Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% KOGAS – 8.5% GAIL – 8.5%	Daewoo	The project is under production.
12	Block A-3 Myanmar, Offshore	17%	Daewoo – 51% KOGAS – 8.5% GAIL – 8.5% MOGE- 15%	Daewoo	The project is under production.
13	Farsi Block Project Iran, Offshore	40%	IOC – 40% OIL – 20%	ONGC Videsh	The project 's exploration period ended on 24 Sept 2009. Agreement on MDP and Development service contract is pending.
14	Block XXIV Syria, Onshore	60%	IPRMEL - 25% Triocean-15%	IPR MEL	IPRMEL the Operator declared Force Majeure effective 29 April 2012
15	Block RC-8 Colombia, Offshore	40%	Ecopetrol - 40% Petrobras – 20%	ONGC Videsh	The project is under exploration
16	Block RC-9 Colombia, Offshore	50%	Ecopetrol - 50%	Ecopetrol	The project is under exploration
17	Block RC-10 Colombia, Offshore	50%	Ecopetrol - 50%	ONGC Videsh	The project is under exploration
18	Block BM-SEAL-4, Brazil, Offshore (Through ONGC Nile Ganga B.V)	25%	Petrobras- 75%	Petrobras	The project is under exploration
19	Block LLA - 69, Colombia, Onshore (Through MECL)	50%	Sinopec – 50%	Joint Operatorship	The project is under exploration
20	Block SSJN-7 Colombia, Onshore	50%	Pacific - 50%	Pacific	The project is under exploration
21	Block CPO-5 Colombia, Onshore	70%	Petro Dorado – 30%	ONGC Videsh	The project is under exploration
22	SHWE Offshore Pipeline Project, Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% GAIL – 8.5% KOGAS – 8.5%	Daewoo	Pipeline is completed and is under use for transportation of gas from Blocks A1/A3, Myanmar

Sr. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
23	Onshore Gas Pipeline Project (SEAGPCL), Myanmar, Onshore (Through ONGC Nile Ganga B.V.)	8.35%	CNPC-SEAP– 50.90% Daewoo – 25.04% KOGAS– 4.17% GAIL – 4.17% MOGE – 7.37%	CNPC-SEAP	The project is under operation.
24	Carabobo Project, Venezuela Onshore (Through Carabobo One AB)	11%	CVP - 71% Repsol Exp-11% INDOIL-7%	Joint operatorship	The project is under development and production.
25	Satpayev Contract Area 3575, Kazakhstan, Offshore	25%	KMG – 75%	SOLLP	The project is under Exploration
26	Azeri, Chirag, Guneshli fields Azerbaijan, Offshore	2.72%	BP - 35.79% SOCAR - 11.65% Chevron - 11.27% Inpex - 10.96% Statoil - 8.56% Exxon-Mobil - 8.00% TPAO - 6.75% Itochu - 4.30%	BP	The project is under development and production
27	BTC Pipeline Azerbaijan, Onshore (Through ONGC (BTC))	2.36%	BP - 30.1% SOCAR - 25% Chevron - 8.9% Statoil - 8.71% TPAO - 6.53% Eni - 5% Total - 5% Itochu - 3.40% Inpex - 2.5% Conoco Philips - 2.5%	BP	The project is under operation
28	Block Area 1, Mozambique Offshore[2]	16.00%	Anadarko- 26.5% Mitsui-20% Cove Energy-8.5% BPRL-10% OIL-4% ENH-15%	Anadarko	The project is under development
29	Block SS 04, Bangladesh, Offshore	45.00%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
30	Block SS 09, Bangladesh, Offshore	45.00%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
31	Block B2, Myanmar, Onshore	97.00%	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration
32	Block EP3, Myanmar, Onshore	97.00%	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration

Abbreviations used: CNPC – China National Petroleum Corporation; CNPC-SEAP-CNPC South-East Asia Pipeline Co Ltd; CVP – Corporacion Venezolana Del Petroleo S.A.; Daewoo – Daewoo International Corporation; ENL – Exxon Neftegas Limited; Fulin – Fulin Investments Sarl; GAIL – GAIL (India) Limited; GNPOC - Greater Nile Petroleum operating Company; GPOC - Greater Pioneer Operating Company; SPOC - Sudd Petroleum Operating Company;IOC – Indian Oil Corporation Limited; INDOIL- Indoil Netherlands B.V.; IPRMEL – IPR Mediterranean Exploration Limited; KMG KazMunayGas; KOGAS – Korea Gas Corporation; B.V; Mittals – Mittal Investments Sarl; MOGE- Myanmar Oil and Gas Enterprise; Nilepet - Nilepet Limited, South Sudan; OCL – ONGC Campos Ltda. OIL – Oil India Limited; ONGC Videsh - ONGC Videsh Limited; Pacific - Pacific Stratus Energy, Colombia; Petrobras – Petroleo Brasileiro S.A.; Petro-Dorado - Petro-Dorado South America S.A.; Petronas – Petronas Carigali Overseas Sdn Bhd; Petronas Ve: PC Venezuela Ltd; Petrovietnam – Vietnam Oil and Gas Group; Repsol – Repsol YPF Cuba SA; Repsol Exp- Repsol Exploracion S.A.; SEAGPCL – South East Asia Gas Pipeline Company Ltd.; Shell – Shell Brazil Ltda; Sinopec – Sinopec Overseas Oil and Gas Limited; SMNG – Sakhalinmorneftegas Shelf; SODECO – Sakhalin Oil Development Company Limited; SOLLP – Satpayev Operating Company LLP (100% subsidiary of KMG); SSPD: Syria Shell Petroleum Development B.V.; Sudapet – Sudapet Limited; Triocean: Tri-Ocean Mediterranean; SOCAR: State Oil Company of Azerbaijan Republic; TPAO - Turkish Petroleum Corporation; BREML - Beas Rovuma Energy Mozambique Ltd; ENH - Empresa Nacional De Hidrocarbonates, E.P; BAPEX - Bangladesh Petroleum Exploration & Production Company Limited

[1] ONGC Videsh has effectively 38.75% interest in Himalaya Energy Syria B.V. (HESBV) with Mittals and Fulin effectively holding 11.25% and 50% interest respectively. HESBV, through its subsidiaries, holds 33.33%, 37.5% and 36% interest in Ash Sham (including deep and lateral) concession, Deir-Ez-Zor and Annexure-IV (including deep and lateral) concessions and a gas utilization agreement in Syria; the balance interest in the concessions being held by SSPD- the Operator.

[2] In case of Area 1 offshore Block, Mozambique, 10% is directly held by the company and 6% through subsidiary BREML. Oil India Limited holds 4% PI through BREML.

45. Company's share in Joint Ventures

The details of Company's and its Subsidiaries' significant joint ventures as on 31 March 2016 are as under :-

(₹ in million)

Project	Net Fixed Assets	Oil & Gas Assets	Capital Work in Progress	Exploratory and Development Wells in Progress	Current Assets	Cash and Bank Balance	Liabilities	Income	Expenditure* (Including depreciation)
A. Audited as of 31 March, 2016									
Port Sudan Product Pipeline, Sudan	-	-	-	-	-	3.68	1,121.32	-	84.68
Block Farsi, Iran	0.03	-	-	-	-	0.87	-	-	32.97
Block SS-04, Bangladesh	0.02	-	-	-	-	16.77	-	-	38.53
Block SS-09, Bangladesh	0.02	-	-	-	-	17.88	-	-	67.40
LLC Imperial Frac Service-Jarpeno	37.16	-	-	-	60.20	85.19	(10.21)	598.75	152.22
Block 2a, 2b & 4, Sudan	80.23	20,228.69	-	1,377.90	2,648.28	177.56	9,879.78	11,060.91	12,072.78
Block 1a, 1b, & 4, South Sudan	56.95	7,246.09	-	114.21	132.84	98.97	1,560.21	-	408.54
Block BC-10, Brazil	4.99	64,277.43	-	-	1,315.04	-	44,675.91	10,870.93	9,593.14
PIVSA (San Cristobal), Venezuela	1,379.78	6,648.96	2,687.41	3,433.24	12,321.02	29.20	70,972.49	9,545.04	2,167.26
Pipeco 1 onshore Project, Myanmar (SEAGP)	5,455.36	-	502.32	-	262.49	1,976.86	497.14	2,706.80	343.91
Tamba	-	-	163.86	-	30,881.59	305.10	6,091.56	-	11,542.82
AFPC,Syria	0.32	-	-	-	-	58.39	0.72	-	44.40
Petro carabobo**	433.82	8,012.80	1,960.51	1,839.04	5,496.51	765.10	7,238.42	1,089.04	1,694.65
OVRL	-	-	-	-	0.35	-	0.21	-	0.79
OVAI	212.81	-	-	-	18.45	-	94.96	-	52.62
MECL	7,480.56	11,400.07	1,633.10	613.54	4,192.13	491.21	4,796.15	8,756.76	9,579.08
BREML	73.02	-	10,079.09	15,216.49	690.99	-	13,158.95	0.00	189.19
B. Audited as of 31 December, 2015									
Block Sakhalin 1, Russia	6,529.00	169,567.10	18,308.23	257.90	16,054.07	385.98	74,075.46	42,040.66	28,496.38
Block 06.1, Vietnam	156.44	3,528.30	146.31	380.49	2,160.79	24.61	2,559.39	7,647.13	4,342.38
Block SSJN-7, Colombia	-	-	-	-	16.93	-	-	-	8.57
Block RC-8, Colombia	0.11	-	-	-	-	27.10	65.50	-	3.53
Block RC-9, Colombia	-	-	-	-	-	0.27	(6.67)	-	245.91
Block RC-10, Colombia	0.19	-	-	-	-	145.17	132.23	-	105.15
Block CPO 5, Colombia	0.25	-	-	1,797.21	63.22	12.25	505.20	-	1,264.10
C. Unaudited									
Block ACG, Azerbaijan	37.74	31,370.55	833.73	414.86	289.17	-	6,861.93	9,182.33	16,731.33
Block A-1, Myanmar	43.38	9,580.17	-	4,700.88	459.36	104.08	1,799.00	5,654.09	2,234.47
Block A-3, Myanmar	0.48	2,712.37	-	-	402.88	120.87	586.53	4,713.34	2,454.69
SHWE Offshore Pipeline, Myanmar	1,403.41	-	-	-	189.13	42.50	(32.47)	1,904.63	394.22
Myanmar Block EP 3, O/S (Non-Op)	-	-	-	-	-	-	-	-	125.60
Myanmar Block B2 Onshore	-	-	-	-	-	-	-	-	159.35
Block Area 1, Mozambique	117.52	-	153,573.21	15,129.74	385.07	-	659.33	-	13,064.98
Block 5A, South Sudan	327.28	8,262.57	27.26	1,012.39	32.96	14.81	759.99	-	372.36
Block Satpayev, Kazakhstan	5.47	-	4,753.53	12.85	55.52	12.43	(0.59)	-	3,108.53
Block 24, Syria	0.67	-	-	-	4.03	-	524.42	-	0.26
Total (A+B+C)	**23,837.01**	**342,835.11**	**194,668.56**	**46,300.73**	**78,133.03**	**4,916.85**	**248,566.88**	**115,770.41**	**121,176.79**

*Represents expenditure as per joint venture statement. In the accounts of the Company, the amount is reflected after netting off as per the Accounting Standard (AS) 27 viz. Financial Reporting of interests in Joint Ventures.

** Excludes signature bonus paid by subsidiary and classified under capital work-in-progress

The Company's share of assets, liabilities, income and expenses has been converted into the reporting currency at the average exchange rate over the period for which the details are provided by the Operators. Generally the details are provided by the operators on monthly basis except in respect of Sakhalin-1, Russia, where the details are provided by the Operator on quarterly basis.

The Company's share of assets, liabilities, income and expenses incorporated in the financial statements in respect of Joint Venture Company - OMEL is given below:

(₹ in million)

Particulars	Amount
a) Net Fixed Assets	-
b) Oil & Gas Assets	-
c) Capital Work in Progress	829.04
d) Exploratory & Development Wells-in-Progress	-
e) Current Assets	95.16
f) Cash and Bank	35.48
g) Liabilities	364.47
h) Income	-
i) Expenditure	-

46.1 Block 5A, Blocks 1,2 &4 in Republic of South Sudan

ONGC Videsh has 24.125% participating interest in Block 5A, South Sudan. The project is jointly operated by the partners Petronas Carigali Nile Ltd, ONGC Videsh Limited and Nilepet, the national oil company of South Sudan.

In view of security situation due to internal conflict in the country all petroleum operation in Block 5A is temporarily shut down from 22nd December 2013. However, recently ceasefire agreement has been signed by the warring parties and the negotiations are in progress under the mediation of African Union and Inter Government Authorities on Development (IGAD). All actions are taken by the partners to resume production swiftly on security clearance by the host government.

46.2 AFPC, Syria

ONGC Nile Ganga BV (ONGBV) and Fulin Investments Sarl, a subsidiary of China National Petroleum Company International (CNPCI), hold 50% shareholding in the Dutch joint venture company, Himalaya Energy Syria B.V. (HESBV). HESBV in turn through three German entities viz. HES Ash Sham GmbH, HES Deir Ez Zor GmbH and HES Gas Syria GmbH holds 33.33% to 37.5% Participating Interest (PI) in four Production Sharing Contracts (PSCs) in Syria. The Syria business for the above PSC of ONGBV is structured as separate class of business (Class C).

Effective 1 December 2011, Al Furat Petroleum Company (AFPC) an Operating Company jointly held by the Syria Shell Petroleum Development B.V. (SSPD) a company acting as an operator for the Contractor and HESBV (collectively the Contractor) and General Petroleum Company (GPC), Syria, which represents Government of Syria in the Operating Company, were included in the list of sanctioned enterprises by the European Union (EU) as part of the strengthening of the sanctions on Syria. Due to the sanctions, HESBV, as an EU company, has been forbidden to directly or indirectly make funds or resources available to or for the benefit of AFPC and GPC

On the 16 May 2012, the Syrian court (the 1st degree court) ruled in favour of "single management", provided that Contractor will be kept informed of all transactions. In addition the court considered that Contractor's share of profits should be set aside in a separate bank account. AFPC Chairman appealed for three motives (i) to challenge the above two court-determined measures that allows Contractor to monitor the Chairman's powers; (ii) to exercise all powers required for running AFPC and solely operate the bank accounts; and (iii) to challenge the requirement to set aside profits. On 28 of November 2012, the Court of appeal in Syrian Court rejected the appeal of the Chairman. As a result, the first degree court judgment became final.

47. Disclosure pursuant to Accounting Standard (AS) 19 viz Leases

a. Khartoum - Port Sudan Pipeline Project:

The Company had completed the 12"X741 Kms multi-product pipeline from Khartoum refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (GOS) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same to GOS during the financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%.

The payment under the contract with GOS were scheduled to be received over a period of 10 years including a moratorium of one year from the date of the contract (30 June 2004) in 18 equal semi-annual installments along with lease rental. The lease period commenced from the date of handing over of the pipeline system and will continue till all payments by GOS are completed. All titles in the works and the transportation system shall vest in the Company and the title shall pass to GOS in proportion to the payments made by GOS against total payments due to Company under the contract. Further, subject to regular payments on due dates by GOS to the Company, GOS shall have the exclusive right to use and operate the pipeline system and the Company shall not assign, transfer, sub-let, sub-contract, mortgage or create any rights to any third party or encumbrances or make any disposition to any third party. Accordingly, the amount of net investment in the lease (i.e. aggregate of Minimum Lease Payments minus unearned Finance Income) is recognized and recorded as receivables under the lease. The finance income thereon has been recognized based upon the pattern reflecting the constant periodic rate of return on the outstanding net investment in the lease.

The first 11 installments under the contract due till 30 December 2010 have been received. Amount towards the 12th to 18th installments of ₹ 6,514.91 million, USD 98.19 million (Company's share₹ 5,863.42 million, USD 88.37 million) due on 30 June 2011, 30 December 2011, 30 June 2012, 30 December 2012, 30 June 2013, 30 December 2013 and 30 June 2014 respectively have not yet been received.

The disclosure in accordance with the Accounting Standard (AS) 19 viz. Leases is as under:

(₹ in million)

Particulars	As at 31 March 2016		As at 31 March 2015	
	Gross	Net	Gross	Net
a) Reconciliation between the total gross investment in the lease and the present value of minimum lease payments as at year end				
- Not later than one year	-	-	758.36	746.41
- Later than one year and not later than five years	-	-	-	-
- Later than five years	-	-	-	-
Total	-	-	758.36	746.41
b) Unearned Finance Income	-		11.95	
c) Unguaranteed residual value accruing to Company's benefit	**Nil**		Nil	
d) Accumulated provision for uncollectible minimum lease payments receivable	**Nil**		Nil	
e) Contingent rents recognised in the statement of profit and loss for the period	Nil		Nil	
f) General description of the significant leasing arrangement	As described in para above		As described in para above	
g) Accounting Policy followed in respect of initial direct costs	As per Accounting Policy o.1.2		As per Accounting Policy o.1.2	

The EPC contractor which executed the project claimed additional costs aggregating to ₹2,464.90 million (Previous year: ₹ 2,327.08 million) (USD 37.15 million), Company's 90% share being ₹2,218.41 million (Previous year: ₹2,094.37 million) (USD 33.44 million), which have not been accepted by the Company. The Company, in turn has filed a claim as per the contract with GOS for their approval of an aggregate amount of ₹3,064.04 million (Previous year: ₹2,892.72 million) (USD 46.18 million), Company's share being ₹2,757.64 million (Previous year: ₹2,603.44 million) (USD 41.56 million). No revenue in respect of the claim on GOS has been recognized since the claim has not been accepted by GOS. ONGC Videsh has served a pre-arbitral notice on GOS which is a requirement prior to initiating any legal proceedings in Sudan. The EPC contractor has initiated arbitration with a claim for ₹1,691.26 million (Previous year: ₹1,596.69 million) (USD 25.49 million) plus interest against the Company. Pending settlement with the EPC contractor, an amount of ₹1,522.14 million (Previous year: ₹1,437.02 million) (USD 22.94 million) being the Company's 90% share out of total claim of ₹1,691.26 million (Previous year: ₹1,596.69 million) (USD 25.49 million) has been accounted as liability in the relevant year of claim. The arbitration award has been pronounced on 27 March, 2014. The award provides for the payment of ₹219.82 million (USD 3.31 million) and interest ₹16.93 million (USD 0.26 million). The parties have filed petitions in the high court reiterating respective averments and seeking revision/modifications of the arbitral award. Since the company has already accounted for the claim amount as expenditure for ₹1,522.14 million (Previous year ₹1,437.02 million) (USD 22.94 million), the differential of the amount accounted for and award will be adjusted subject to directions/decision of the honorable court. The interest amount would be treated / accounted on clarity of the issue based on directions/decision of the honorable court in this regard. Mean while the company has paid ₹19.26 million (USD 0.31 million) against the arbitration award, Company share ₹17.33 million (USD 0.28 million) and ₹8.54 million (USD 0.14 million), Company share ₹7.69 million (USD 0.13 million) against interest @4.5% on 31 October 2014 to EPC contractor to avoid excess interest burden on the awarded amount.

b. Financial Lease for BC-10 Project ONGBV owns 15% equity shares in Tamba B.V. The Netherlands; with the balance held by Shell E & P Offshore Services B.V., The Netherlands ("SEPBV"), and Petrobras Netherlands B.V. The Netherlands ("PNBV"). Tamba B.V. has been established to facilitate the development and production of hydrocarbons in the BC-10 concession, Campos Basin area in Brazil. Tamba B.V. has a third party lease for a major oil field equipment (FPSO) and constructed other sub-sea assets for onwards lease to BC-10 Project. Both financial leases commenced on 31 December 2008.

Tamba B.V. leases part of its assets from a third party, Brazilian Deepwater and re-leased these to BC-10 joint venture operated by Shell Brasil Ltd. The risks and rewards incidental to ownership are largely transferred to the lessee. These assets are capitalised and recognised in the balance sheet of BC-10 as from the date the lease contract is concluded, at the lower of the fair value of the asset and the discounted value of the minimum lease instalments. The lease instalments payable are broken down into repayment and interest components, based on a fixed interest rate and instalments as derived from the underlying agreement. The lease commitments are carried under long-term liabilities exclusive of interest. The interest component is recognised in the profit and loss account in accordance with the lease instalments.

Revenue of finance lease contracts represents the transfer of economic ownership from Tamba B.V. (lessor) to the lessee of the asset, being an affiliate. Cost of sales represents the costs associated with the finance lease contracts. The Company's share of the lease liability (at USD 1= ₹ 66.35) are tabulated below:

(₹ in million)

Lease liability	₹ million
Opening balance as at 1 April 2015	5,515.41
Interest	489.52
Lease Payments	1,376.09
Foreign Currency Translation Adjustment	314.93
Closing balance as at 31 March 2016	4,943.77

The Company's 27% share of future estimated minimum lease expenses in the year and their present values are scheduled to be as follows:

(₹ in million)

	< 1Year	1-5 Years	>5Years	Total
Future minimum lease payments:	1,369.48	3,550.45	1,259.51	6,179.44
Present value of minimum lease payments	1,338.01	2,817.10	724.07	4,879.18

Tamba B.V., JV company of ONGBV (27%) has entered into a 15-year lease contract for the supply of the FPSO with a third party. The lease contract contains priced termination options for each of the 15 years and priced extension options for the 4 years following the initial 15-year term. The Company can exercise a priced purchase option during the term of the lease. The interest rate implicit in the lease is 9.5% (Previous year 9.5%).

48. Details of Reserves (As approved by Reserve Estimate Committee (REC)):

Disclosure under Guidance Note on Accounting for "Oil and Gas Producing Activities" (Revised)

a. Company's share of Proved Reserves on the geographical basis is as under:

Project	Details	Crude Oil (MMt)*		Gas (Bcm)		Total MMToe**	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
GNOP, Sudan	Opening	**8.988**	9.501	**-**	-	**8.988**	9.501
	Addition	**0.540**	0.193	**-**	-	**0.540**	0.193
	Deduction/ Adjustment		-	**-**	-	**-**	-
	Production	**0.627**	0.705	**-**	-	**0.627**	0.705
	Closing	**8.901**	8.988	**-**	-	**8.901**	8.988
GPOC, South Sudan	Opening	**6.377**	6.377	**-**	-	**6.377**	6.377
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/ Adjustment	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**6.377**	6.377	**-**	-	**6.377**	6.377
Block 5A, South Sudan ***	Opening	**5.887**	5.887	**-**	-	**5.887**	5.887
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/ Adjustment	**0.001**	-	**-**	-	**0.001**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**5.886**	5.887	**-**	-	**5.886**	5.887
Sakhalin-1, Russia	Opening	**36.605**	36.905	**72.780**	73.354	**109.384**	110.259
	Addition	**2.947**	1.235	**0.334**	0.044	**3.281**	1.279
	Deduction/ Adjustment	**-**	-	**-**	-	**-**	-
	Production	**1.742**	1.536	**0.588**	0.618	**2.330**	2.154
	Closing	**37.810**	36.605	**72.525**	72.780	**110.335**	109.384
Block 06.1, Vietnam	Opening	**0.535**	0.566	**2.789**	4.562	**3.324**	5.128
	Addition	**0.057**	-	**3.250**	-	**3.307**	-
	Deduction/ Adjustment	**-**	0.001	**0.001**	-	**0.001**	0.001

Project	Details	Crude Oil (MMt)*		Gas (Bcm)		Total MMToe**	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	Production	**0.029**	0.030	**1.659**	1.774	**1.688**	1.804
	Closing	**0.563**	0.535	**4.380**	2.789	**4.943**	3.324
AFPC, Syria	Opening	**2.581**	2.581	**-**	-	**2.581**	2.581
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/ Adjustment	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**2.581**	2.581	**-**	-	**2.581**	2.581
BC-10, Brazil	Opening	**9.081**	7.741	**0.663**	0.656	**9.744**	8.397
	Addition	**(0.001)**	2.152	**0.001**	0.049	**-**	2.200
	Deduction/ Adjustment	**1.694**	-	**0.160**	-	**1.854**	-
	Production	**0.649**	0.812	**0.040**	0.042	**0.689**	0.854
	Closing	**6.737**	9.081	**0.464**	0.663	**7.200**	9.744
MECL, Colombia	Opening	**3.355**	3.483	**-**	-	**3.355**	3.483
	Addition	**0.004**	0.491	**-**	-	**0.004**	0.491
	Deduction/ Adjustment	**0.001**	-	**-**	-	**0.001**	-
	Production	**0.614**	0.618	**-**	-	**0.614**	0.618
	Closing	**2.744**	3.355	**-**	-	**2.744**	3.355
IEC, Russia	Opening	**14.317**	14.583	**4.661**	4.685	**18.978**	19.268
	Addition	**2.385**	-	**0.119**	-	**2.504**	-
	Deduction/ Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.305**	0.265	**0.030**	0.024	**0.335**	0.290
	Closing	**16.397**	14.317	**4.750**	4.661	**21.147**	18.978
PIVSA, Venezuela	Opening	**9.554**	10.199	**-**	-	**9.554**	10.199
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/ Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.585**	0.645	**-**	-	**0.585**	0.645
	Closing	**8.969**	9.554	**-**	-	**8.969**	9.554
Carabobo - 1, Venezuela	Opening	**3.734**	3.796	**-**	-	**3.734**	3.796
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/ Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.112**	0.063	**-**	-	**0.112**	0.063
	Closing	**3.622**	3.734	**-**	-	**3.622**	3.734

Project	Details	Crude Oil (MMt)*		Gas (Bcm)		Total MMToe**	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
BLOCK-XXIV, Syria	Opening	**1.803**	1.803	**-**	-	**1.803**	1.803
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/ Adjustment	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**1.803**	1.803	**-**	-	**1.803**	1.803
BLOCK-A1 & A3, Myanmar	Opening	**-**	-	**11.029**	11.691	**11.029**	11.691
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/ Adjustment	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**0.891**	0.662	**0.891**	0.662
	Closing	**-**	-	**10.138**	11.029	**10.138**	11.029
ACG, Azerbaijan	Opening	**7.904**	8.763	**-**	-	**7.904**	8.763
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/ Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.847**	0.859	**-**	-	**0.847**	0.859
	Closing	**7.057**	7.904	**-**	-	**7.057**	7.904
Total Reserves	Opening	**110.720**	112.184	**91.921**	94.948	**202.641**	207.131
	Addition	**5.932**	4.070	**3.704**	0.092	**9.636**	4.162
	Deduction/ Adjustment	**1.696**	0.001	**0.160**	-	**1.856**	0.001
	Production	**5.510**	5.533	**3.208**	3.120	**8.718**	8.653
	Closing	**109.446**	110.720	**92.256**	91.921	**201.702**	202.641

* Crude Oil includes Condensate.

** For calculating "Oil Equivalent" 1,000M3 of Gas has been taken to be equal to 1 MT of Crude Oil. Variations in totals, if any, are due to internal summation and rounding off.

*** Block 5A South Sudan is under shut down. Please refer Note 46.1

b. Company's share of Proved Developed Reserves on the geographical basis is as under:

Project	Details	Crude Oil (MMt)*		Gas (Bcm)		Total MMToe**	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
GNOP, Sudan	Opening	**2.297**	2.456	**-**	-	**2.297**	2.456
	Addition	**0.793**	0.546	**-**	-	**0.793**	0.546
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.627**	0.705	**-**	-	**0.627**	0.705
	Closing	**2.463**	2.297	**-**	-	**2.463**	2.297
GPOC, South Sudan	Opening	**4.312**	4.312	**-**	-	**4.312**	4.312
	Addition	**-**	-	**-**	-	**-**	-

Project	Details	Crude Oil (MMt)*		Gas (Bcm)		Total MMToe**	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**4.312**	4.312	**-**	-	**4.312**	4.312
Block 5A, South Sudan ***	Opening	**2.565**	2.565	**-**	-	**2.565**	2.565
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**2.565**	2.565	**-**	-	**2.565**	2.565
Sakhalin-1, Russia	Opening	**12.848**	11.903	**9.691**	10.276	**22.539**	22.179
	Addition	**5.091**	2.481	**1.065**	0.033	**6.156**	2.514
	Deduction/Adjustment	**-**	-	**(0.001)**	-	**(0.001)**	-
	Production	**1.742**	1.536	**0.588**	0.618	**2.330**	2.154
	Closing	**16.197**	12.848	**10.169**	9.691	**26.366**	22.539
Block 06.1, Vietnam	Opening	**0.536**	0.566	**2.789**	4.563	**3.324**	5.129
	Addition	**0.057**	-	**3.250**	-	**3.307**	-
	Deduction/Adjustment	**0.001**	-	**-**	-	**0.001**	-
	Production	**0.029**	0.030	**1.659**	1.774	**1.688**	1.804
	Closing	**0.563**	0.536	**4.380**	2.789	**4.943**	3.324
AFPC, Syria	Opening	**2.206**	2.206	**-**	-	**2.206**	2.206
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**2.206**	2.206	**-**	-	**2.206**	2.206
BC-10, Brazil	Opening	**6.783**	3.324	**0.450**	0.244	**7.233**	3.569
	Addition	**0.603**	4.271	**0.054**	0.247	**0.657**	4.518
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.649**	0.812	**0.040**	0.042	**0.689**	0.854
	Closing	**6.737**	6.783	**0.464**	0.450	**7.201**	7.233
MECL, Colombia	Opening	**3.014**	3.190	**-**	-	**3.014**	3.190
	Addition	**0.004**	0.442	**-**	-	**0.004**	0.442
	Deduction/Adjustment	**0.001**	-	**-**	-	**0.001**	-
	Production	**0.614**	0.618	**-**	-	**0.614**	0.618
	Closing	**2.403**	3.014	**-**	-	**2.403**	3.014
IEC, Russia	Opening	**4.178**	4.444	**1.071**	1.095	**5.249**	5.539
	Addition	**1.333**	-	**0.069**	-	**1.402**	-
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.305**	0.265	**0.030**	0.024	**0.335**	0.290
	Closing	**5.206**	4.178	**1.110**	1.071	**6.316**	5.249

Project	Details	Crude Oil (MMt)*		Gas (Bcm)		Total MMToe**	
		As at 31 March 2016	As at 31 March 2015	**As at 31 March 2016**	As at 31 March 2015	**As at 31 March 2016**	As at 31 March 2015
PIVSA, Venezuela	Opening	**2.282**	2.047	**-**	-	**2.282**	2.047
	Addition	**-**	0.880	**-**	-	**-**	0.880
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.585**	0.645	**-**	-	**0.585**	0.645
	Closing	**1.697**	2.282	**-**	-	**1.697**	2.282
Carabobo - 1, Venezuela	Opening	**0.920**	0.535	**-**	-	**0.920**	0.535
	Addition	**0.423**	0.448	**-**	-	**0.423**	0.448
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.112**	0.063	**-**	-	**0.112**	0.063
	Closing	**1.231**	0.920	**-**	-	**1.231**	0.920
BLOCK-XXIV, Syria	Opening	**0.049**	0.049	**-**	-	**0.049**	0.049
	Addition	**-**	-	**-**	-	**-**	-
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**0.049**	0.049	**-**	-	**0.049**	0.049
BLOCK-A1 & A3, Myanmar	Opening	**-**	-	**5.654**	2.614	**5.654**	2.614
	Addition	**-**	-	**1.953**	3.702	**1.953**	3.702
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**0.891**	0.662	**0.891**	0.662
	Closing	**-**	-	**6.716**	5.654	**6.716**	5.654
ACG, Azerbaijan	Opening	**2.928**	3.384	**-**	-	**2.928**	3.384
	Addition	**0.504**	0.403	**-**	-	**0.504**	0.403
	Deduction/Adjustment	**-**	-	**-**	-	**-**	-
	Production	**0.847**	0.859	**-**	-	**0.847**	0.859
	Closing	**2.585**	2.928	**-**	-	**2.585**	2.928
Total Reserves	Opening	**44.918**	40.981	**19.654**	18.792	**64.573**	59.772
	Addition	**8.807**	9.471	**6.392**	3.982	**15.199**	13.453
	Deduction/Adjustment	**0.002**	-	**(0.001)**	-	**0.001**	-
	Production	**5.510**	5.533	**3.208**	3.120	**8.718**	8.653
	Closing	**48.214**	44.918	**22.839**	19.654	**71.053**	64.573

* Crude Oil includes Condensate.

** For calculating "Oil Equivalent" 1,000M3 of Gas has been taken to be equal to 1 MT of Crude Oil. Variations in totals, if any, are due to internal summation and rounding off.

*** Block 5A South Sudan is under shut down. Please refer Note 46.1

c. The year-end reserves of the company are estimated by the Reserves Estimation Committee (REC) of the holding company Oil and Natural Gas Corporation Limited (ONGC), which follows international reservoir engineering procedures consistently.

The Company estimates its reserves annually and the reserves are disclosed at the end of the financial year i.e. as at 1st of April. The Company is having partnership with global majors in various producing and discovered assets across the world having participating interest as non-operator, joint operator and operator. The Operator/Joint Operating Company of each asset evaluate reserves of the respective asset on an annual basis, and the Company's representatives interact dynamically through Technical/ Operating committee meetings, wherein estimates of reserves are discussed and finalized. On receipt of the approved reserves for each asset, the Company discusses the same with reserves estimate experts from E&D Directorate of the parent company ONGC and put up the same for deliberation and approval by Reserves Estimate Committee (REC) under the Chairmanship of Director (Exploration) of the parent company ONGC.

d. Volumetric estimation is the main process of estimation which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it from a given date forward, under existing economic conditions, by established operating practices and under existing government regulations. As the field gets matured with reasonably good production history, performance methods such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves. For many of the producing and discovered assets in which the Company has stake, the concerned Operators and Joint Operating Companies uses the services of third party agencies for due diligence and audit. Additionally, the Company gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation. The last auditing was carried out for the estimates as at 1 October 2013 in which about 98% of the reserves of the Company were audited.

e. The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New Inplace Volume and Ultimate Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, appraisal activities lead to revision in estimates due to new subsurface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro physical parameters, updating of static & dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitates revision in estimation of reserves.

f. Reserves of the company as at 1 October 2013 were certified by Third Party Certifying (TPC) agencies. The certified 1P reserves were lower by 45.538 MMT with the estimates of Reserve Estimates Committee (REC) of the parent company i.e. Oil and Natural Gas Corporation Limited (ONGC) in respect of certain projects. However, the management of the Company did not agree with the assumptions of the TPC in this regard and adopted the reserves figures as approved by the REC.

g. Impairment

(i) Considering the prevailing low global oil prices as an impairment indicator, the Company has carried out impairment test as at 31 March 2016 in respect of Cash Generating Units (CGUs) based on value in use method. The Company identified impairment in respect of three CGUs and made a provision for impairment of ₹30,471.74 million during the year (Previous Year: ₹3,741.69 million). The current year provision for impairment is considered as exceptional item (refer Note 40).

The following 2P reserves of the respective CGUs have been considered for the impairment assessment:

(₹ in million)

Projects (CGU)	Proved and Probable Reserves (MMToe)
ACG, Azerbaijan	16.770
Area-1,Mozambique	214.785
Block 06.1, Vietnam	8.330
Block BC-10, Brazil	7.201
Block-5A, South Sudan	6.311
Blocks A1, A3, Myanmar	19.406
Carabobo-1, Venezuela	52.793
GNPOC, Sudan	11.875
GPOC, South Sudan	6.473
Imperial, Russia	96.004
MECL, Colombia	4.015
PIVSA, Venezuela	8.969
Sakhalin-1, Russia	145.599

A South Sudan Oil Facility

49. Segment Information

(₹ in million)

	Asia		FSU Countries *		Latin America		Africa		Unallocated		Grand Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
External sales	22,625.46	20,105.16	60,530.60	66,589.95	29,636.76	78,280.36	11,061.49	23,841.52	-	-	**123,854.31**	188,816.98
Inter Segment sales	-	-	-	-	-	-	-	-	-	-	**-**	-
Total Revenue	22,625.46	20,105.16	60,530.60	66,589.95	29,636.76	78,280.36	11,061.49	23,841.52	-	-	**123,854.31**	188,816.98
Results	10,024.17	7,454.70	26,460.53	45,114.96	(2,240.67)	1,934.21	(14,995.28)	(2,707.78)	(14,541.11)	-	**4,707.65**	51,796.10
Segment results	10,944.88	7,454.70	8,111.10	45,114.96	2,689.61	1,934.21	(17,221.58)	(2,707.78)	(13,605.73)	-	**4,707.65**	51,796.10
Unallocated corporate Expenses (Net)	-	-	-	-	-	-	-	-	(505.24)	(12,130.29)	**(505.24)**	(12,130.29)
Operating profit or (Loss)	10,944.88	29,255.84	8,111.10	31,267.65	9,258.98	24,978.69	(17,221.58)	(71.33)	(14,110.97)	(31,482.22)	**5,212.89**	53,948.63
Interest expenses	(0.04)	0.04	-	218.56	3,798.21	17,062.19	0.01	41.15	8,687.34	7,446.26	**12,485.51**	24,768.21
Interest and other income	4.37	4.56	(136.40)	1,073.18	(5.73)	25.28	264.53	476.88	3,738.79	1,091.98	**3,865.56**	2,671.88
Income & other Tax	-	-	3,524.31	12,087.81	3,229.91	(2,349.56)	1.78	-	2,541.96	3,071.84	**9,297.95**	12,810.09
Profit / (loss) from ordinary activities	10,949.30	29,260.36	4,450.39	20,034.46	2,225.13	10,291.33	(16,958.84)	364.40	(21,601.48)	(40,908.35)	**(20,935.49)**	19,042.21
Net profit / (Loss)	10,949.30	29,260.36	4,450.39	20,034.46	2,225.13	10,291.33	(16,958.84)	364.40	(21,601.48)	(40,908.35)	**(20,935.49)**	19,042.21
Other information	-	-	-	-	-	-	-	-	-	-	**-**	-
Segment Assets	34,039.66	42,579.57	236,168.96	513,205.38	186,595.97	172,182.16	279,894.03	237,265.44	-	-	**736,698.62**	965,232.55
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	256,346.22	20,792.71	**256,346.22**	20,792.71
Total Assets	34,039.66	42,579.57	236,168.96	513,205.38	186,595.97	172,182.16	279,894.03	237,265.44	256,346.22	20,792.71	**993,044.84**	986,025.26
Segment Liabilities	6,529.65	17,666.22	76,207.17	377,037.18	69,592.26	33,406.59	24,178.69	207,214.00	-	-	**176,507.77**	635,324.00
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	408,515.44	(90,387.50)	**408,515.44**	(90,387.50)
Total Liabilities	6,529.65	17,666.22	**76,207.17**	**377,037.18**	**69,592.26**	**33,406.59**	**24,178.69**	**207,214.00**	**408,515.44**	**(90,387.50)**	**585,023.21**	**544,936.50**

	Asia		FSU Countries *		Latin America		Africa		Unallocated		Grand Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Capital Expenditure	10,457.35	10,474.25	46,669.99	33,159.81	11,798.90	12,647.57	20,839.78	8,281.92	868.15	250.68	90,634.16	64,814.24
Recouped cost	4,147.74	5,385.23	27,215.14	28,559.47	18,188.38	13,054.40	6,568.94	12,542.20	44.99	40.89	56,165.19	59,582.19
Non cash Exp.	-	-	-	-	-	-	-	-	-	-	-	-

Information about Secondary Business Segments (Product-wise):

(₹ in million)

Revenue from	2015-16	2014-15
Crude Oil** and Natural Gas (Net of VAT)	114,604.74	183,227.90
Transportation Income	9,249.57	5,589.08
Lease Finance Income	423.02	472.21

* FSU countries means Former Soviet Union Countries

**Crude Oil includes Condensate.

Notes:

(i) Segments have been identified and reported taking into account, the organization and management structure for internal reporting and significantly different risk and return perception in different geographical regions. These are organized into five segments viz. Asia, FSU Countries, Latin America, Africa and Unallocated.

(ii) The segment revenue in the business segment (Product-wise) is revenue from sale of Crude Oil and Natural Gas, Crude Oil Transportation Income and Lease Finance Income.

(iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. "Unallocated" includes common expenditure incurred for all the segments and expenses incurred at corporate level.

(iv) Revenue figures are shown as net of Value Added Tax.

50. Capital Commitments

₹ in million)

	Particulars	As at 31 March 2016	As at 31 March 2015
a.	Other Capital Commitments based upon the details provided by the operators	102,391.39	104,595.45
b.	Contracts remaining to be executed on capital account towards Company's share for building at Vasant Kunj, Delhi wherein the contracts have been awarded by holding company to various agencies and the Company is to share part of the costs.	232.96	660.56
c.	Capital Commitments in respect of Subsidiaries is USD 113.48 million (Previous year USD 213.35 million).	7,529.28	13,364.00
	Total	**110,153.63**	**118,620.01**

51. Contingent Liability

(i) Claims against the Company/disputed demands not acknowledged as debt:

₹ in million)

	Particulars	As at 31 March 2016	As at 31 March 2015
a.	Income-tax (Refer (ii) below)	9,071.72	6,702.88
b.	Service-tax (Refer (iii) below)	61,026.75	57,891.29
c.	Claims of contractors in arbitration/court	1,022.28	1,012.06
d.	Other contingent liability in respect of subsidiaries is USD 94.03 million (Previous year USD 228.99 million).	6,239.16	14,344.06
	Total	**77,359.91**	**79,950.29**

The above claims/demands are at various stages of litigation and in the opinion of the Company, the same are not tenable.

(ii) Disputed income-tax demands (excluding cases decided in favor of Company at Income Tax Appellate Tribunal (ITAT) level and addition made by the Assessing Officer (AO) on protective basis): ₹ 9,071.72 million (Previous Year: ₹ 6,702.88 million). Against disputed tax demands, ₹ 5,684.75 million (Previous Year: ₹ 10,325.91 million) has been paid by the Company or adjusted by the authorities against refunds due to the Company from time-to-time. Attention is invited to note 43a above.

(iii) The Service Tax Department had issued a demand cum show-cause notice dated 11 October 2011 requiring the Company to show cause why service tax amounting to ₹ 28,163.14 million (including Education Cess and SHE cess), the interest on such amount and penalty should not be demanded and recovered from the Company. Service Tax Department has calculated these tax amounts based on foreign currency expenditure reported in the Company's financial statements covering the reporting periods from 1 April 2006 to 31 December 2010 and contending that these expenses represent business auxiliary services rendered by the Company foreign branches and operator of the Joint Venture/ Consortium to the Company. Subsequently, five more demand-cum-show cause notices have been issued based on similar contentions covering the period upto 31 March 2015 to show cause why service tax amounting to ₹ 32,863.61 million (including Education Cess and SHE cess), the interest on such amount and penalty should not be demanded and recovered from the Company. The Company is of the view that the said service tax is not payable and contesting the same. No provision is required to be made in the accounts at this stage.

(ii) Contingent Liabilities in respect of Bank Guarantee

₹ in million)

	Particulars	As at 31 March 2016	As at 31 March 2015
a.	In respect of bank guarantees/standby letters of credit obtained from banks for performance guarantee/bid bonds	6,198.01	6,769.19
	Total	**6,198.01**	**6,769.19**

(iii) Contingent Liabilities in respect of Performance Guarantee

(₹ in million)

	Particulars	As at 31 March 2016	As at 31 March 2015
a.	The Company has given a Performance Guarantee on behalf of Petro Carabobo Ganga B.V. to Government of Venezuela in respect of Carabobo 1 Project. The total investment commitment is estimated at US$ 1,154.75 million (Previous year US$ 1,154.75 million). The Company is confident that Petro Carabobo Ganga B.V. will be able to honor its obligations.	76,617.66	72,333.54
b.	ONGBV has given counter guarantee to the State Bank of India for the issue of performance bonds in favour of Nigerian National Petroleum Corporation, on behalf of ONGC Mittal Energy Limited, with a maximum of 51% of the guaranteed amounts. The outstanding guarantee obligation of the company was USD 76.50 million (Previous period USD 76.50 million).	5,075.78	4,791.96
	Total	**81,693.44**	**77,125.50**

c. The Company has issued Performance Guarantee in respect of concessionary contract for Block BC-10, Brazil and Blocks BM-S-73 and BM-ES-42 on behalf of ONGC Campos Ltda (OCL). The Company is confident that OCL will be able to honor its obligations.

d. The Company has given performance guarantee to ANP, the regulatory authority in Brazil, favoring ONGC Campos Ltda (OCL) for BC-10 Project where OCL has a 27% participating interest (previous year 15% PI) and Shell Brazil is the operator.

52. Derivative instruments and unhedged foreign currency exposure:

ONGC Videsh has entered into cross currency swap transactions with various banks whereby it has swapped the principal and interest amounts payable towards Rupee Bonds issued in domestic markets into USD liability. The swap position outstanding as at 31 March 2016 was as follows:

Underlying	Notional Principal Amount (₹in million)	Notional Principal Amount (USD in million)	Termination Date
8.54% 10 Years Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures-Series II	3,700.00	73.93	6 January 2020

The above swap position outstanding as at 31 March 2016 has been revalued on that date based on Mark-to-market (MTM) positions reported by the counter-party banks. The Mark-to-market position as at 31 March 2016 amounted to ₹1,499.70 million (Previous year: ₹ 1,213.38 million).

The business of the Company is carried out entirely outside India. The revenues of the Company are received entirely in foreign currency and substantially all the expenses are incurred in foreign currency. Accordingly, the Company has swapped the Bonds issued in Indian Rupees into USD so as to align the currency of its liabilities and assets, thereby hedging the resulting exposure.

53. The figures in respect of Subsidiaries / Joint Venture Company have been regrouped / re-arranged based upon the details obtained from their managements, wherever their audited accounts did not provide the break up details required for the consolidated financial statements.

54. Information as per Accounting Standard (AS) 18 viz. Related Party Disclosures is given below (excluding with State Controlled Entities):

₹ in million)

Particulars	Joint ventures	Key Managerial personnel	2015-16	2014-15
Income from Rendering Services	234.03	NA	234.03	1,182.80
Expenses on Receiving Services	-	NA	-	-
Reimbursement of expenditure incurred on behalf of ONGC Videsh	-	NA	-	788.22
Reimbursement of expenditure incurred on behalf of Related Party	43.26	NA	43.26	336.36
Interest Income	-	NA	-	234.72
Dividend Income	-	NA	-	-
Lease Income	-	NA	-	11.95
Redemption of Shares	-	NA	-	6,481.64
Loan Taken from Related Party	-	-	-	48,031.78
Loan Repaid to Related party	-	-	-	34,804.43
Loans Given to Related party	-	-	-	5,061.41
Loans Repaid by Related party	-	0.89	0.89	398.52
Capital Contribution	-	NA	-	-
Remuneration	NA	24.73	24.73	22.60
Sitting Fees	NA	0.44	0.44	1.66

Name of related parties and description of relationship (excluding State Controlled Entities):

Joint Ventures	Block 06.1, Vietnam
	Sakhalin-1, Russia
	Block 2a, 2b & 4, Sudan
	Block 1a, 1b, & 4, South Sudan
	Block 5A, South Sudan
	MECL, Colombia
	AFPC, Syria
	Block BC-10, Brazil
	Block BM-SEAL-4, Brazil
	Block A-1, Myanmar
	Block A-3, Myanmar
	Block Farsi, Iran
	Block XXIV, Syria
	ONGC Mittal Energy Limited, Cyprus
	Block RC-8, Colombia
	Block RC-9, Colombia
	Block RC-10, Colombia
	Block SSJN-7, Colombia
	Block CPO-5, Colombia
	LLA - 69, Colombia
	San Cristobal Project, Venezuela
	Carabobo Project, Venezuela
	ONGC Nile Ganga B.V. , The Netherlands
	OOO Imperial Frac Service, Russian Federation
	Satpayev Project, Kazakhstan
	ACG, Azerbaijan
	ONGC (BTC) Ltd, Cayman Island
	Block SS-04, Bangladesh
	Block SS-09, Bangladesh
	Block Area 1, Mozambique

	Block B2, Myanmar, Onshore
	Block EP3, Myanmar, Onshore
"Key Management personnel (excludes Joint Venture Company) "	Mr Narendra K Verma, Managing Director
	Mr S P Garg, Director (Finance)
	Dr. Anil Bhandari, Director (Exploration) upto 31 July 2015
	Mr. Sudhir Sharma, Director (Exploration) from 1 August 2015
	Mr P K Rao, Director (Operations)
	Ir. A R Baron Mackay Holding B.V., Director, ONGC Nile Ganga B.V.
	Mr Costas Christoforou, Director, Imperial Energy Limited
	Ms Arlene Nahikian, Director, Imperial Energy Limited
	Ms. K. Antoniadou, Director, Imperial Energy Limited
	Ms. E. Chrysanthou, Director, Imperial Energy Limited
	Mr A. Loizou, Director, Imperial Energy Limited
	Mr. Roland Göransson, Director, Carabobo One AB
	Mr. Richard Chindt, Director, Carabobo One AB
	Mr. Rajarshi Gupta, Director, ONGC Videsh Atlantic Inc.
	Mr. Sookraj Seechurn, Director, ONGC Videsh Rovuma Limited
	Mr. Poonam Keenoo-Seegoolam, Director , ONGC Videsh Rovuma Limited
	Mr. Shyam Saran, Independent Director upto 4th June 2015
	Prof. Sanjay G. Dhande, Independent Director upto 4th June 2015
	Prof. Shyamal Roy, Independent Director upto 4th June 2015
	Mr. S B Singh, Company Secretary

55. Previous year figures have been re-grouped/re-arranged and nomenclature re-named wherever necessary to make them comparable with current year classification.

(S B Singh)
Company Secretary

(S P Garg)
Director (Finance)

(Narendra K Verma)
Managing Director

As per our report of even date attached.
For Prem Gupta & Co.
Chartered Accountants
Firm Regn No. 000425N

For B C Jain & Co.
Chartered Accountants
Firm Regn No. 001099C

New Delhi
21 May 2016

(Rajan Uppal)
Partner (M No. 097379)

(Shyamji Gupta)
Partner (M No. 416155)

Odoptu summer in Sakhalin, Russia

ONGC Videsh Limited (Consolidated)
Schedule-III additional disclosure on Consolidated Financial Statements - 2015-16

(₹ in million)

S.No.	Name of the entity	Country of incorporation	Net Assets (i.e. Total Assets Minus Total Liabialities as on 31st March, 2016)		Share in Profit or loss Account for the financial year ended 31 March, 2016		Net Asset (i.e. Total Asset minus Total Liabilities) as on 31 March, 2015		Share in Profit or loss Account for the financial year ended 31 March, 2015	
			As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount
	ONGC Videsh Limited Consolidated		100	408,021.60	100	(-20,935.52)	100	441,088.76	100	19,042.21
A	**Parent :-**									
A.1	ONGC Videsh Limited	India	58.91	240,382.40	98.37	(-20,594.33)	60.28	265,891.89	112.46	21,415.46
B	**Subsidiaries**									
B.1	**Foreign**									
B.1.1	ONGC Nile Ganga B.V. (A & B Class)	The Netherlands	13.94	56,869.93	(1.67)	350.09	14.39	63,475.28	(33.25)	(6,332.47)
B.1.2	ONGC Campos Ltda.	Brazil	(0.68)	(2,756.57)	12.57	12,632.61	0.42	1,851.25	20.63	3,927.72
B.1.3	ONGC Nile Ganga (Cyprus) Limited	Cyprus	2.45	10,006.53	(0.09)	19.02	2.14	9,428.82	0.31	59.88
B.1.4	ONGC Nile Ganga (San Cristobal) B.V.	The Netherlands	9.98	40,707.41	2.34	(490.67)	6.92	30,544.63	(25.15)	(4,789.43)
B.1.5	ONGC Satpayev E&P B.V.*	The Netherlands	-	-	(0.01)	1.55	-	0.01	(0.00)	(0.25)
B.1.6	ONGC Caspian E&P B.V.	The Netherlands	2.01	8,182.77	(1.73)	361.42	1.86	8,204.87	4.61	877.44
B.1.7	ONGC Nile Ganga B.V. C Class	The Netherlands	(0.48)	(1,956.54)	0.21	(44.40)	(0.44)	(1,948.33)	(19.23)	(3,661.25)
B.1.8	ONGC Narmada Limited	Nigeria	0.03	106.67	-	-	0.02	94.57	-	-
B.1.9	ONGC Amazon Alaknanda Limited	Bermuda	6.15	25,081.43	15.43	(3,229.43)	5.85	25,825.66	(3.04)	(578.87)
B.1.10	Imperial Energy Limited	Cyprus	(12.91)	(52,655.89)	10.13	(2,121.72)	(12.60)	(55,587.95)	(4.14)	(788.02)
B.1.11	Imperial Energy Tomsk Limited	Cyprus	0.04	144.29	(0.37)	76.83	0.04	184.73	(0.00)	(0.52)
B.1.12	Imperial Energy (Cyprus) Limited	Cyprus	0.89	3,627.93	(0.01)	1.71	0.94	4,147.60	(0.00)	(0.62)
B.1.13	Imperial Energy Nord Limited	Cyprus	3.69	15,062.36	(0.01)	1.45	3.90	17,218.48	(0.00)	(0.29)
B.1.14	Biancus Holdings Limited	Cyprus	0.07	265.56	0.41	(85.54)	0.06	281.5200	(0.11)	(20.55)
B.1.15	Redcliffe Holdings Limited	Cyprus	0.22	890.47	(0.01)	1.59	0.23	1,018.33	(0.00)	(0.81)
B.1.16	Imperial Frac Services (Cyprus) Limited	Cyprus	(0.0031)	12.60	0.23	(47.45)	0.0005	2.1700	(0.02)	(4.12)
B.1.17	San Agio Investments Limited	Cyprus	(0.0007)	(3.02)	(0.26)	53.78	0.0024	10.42	(0.30)	(56.46)
B.1.18	LLC Sibinterneft	Russia	(0.09)	(347.30)	(0.35)	72.91	(0.09)	(386.82)	(0.29)	(55.72)
B.1.19	LLC Allianceneftegaz	Russia	(0.40)	(1,622.67)	(3.81)	798.22	(0.35)	(1,550.66)	(5.34)	(1,017.04)
B.1.20	LLC Nord Imperial	Russia	0.68	2,786.83	(0.70)	147.12	0.81	3,555.76	(4.48)	(853.01)
B.1.21	LLC Rus Imperial Group	Russia	(0.02)	(91.07)	(0.15)	32.36	(0.01)	(61.17)	(0.45)	(86.42)
B.1.22	LLC Imperial Frac Services	Russia	0.01	38.33	1.88	(393.20)	0.01	51.32	0.07	13.55
B.1.23	Carabobo One AB	Sweden	(2.82)	(11,509.06)	0.01	(1.87)	(2.43)	(10,721.97)	(0.00)	(0.92)
B.1.24	Petro Carabobo Ganga B.V.	The Netherlands	2.93	11,949.63	1.22	(256.45)	2.51	11,076.45	(0.55)	(105.01)
B.1.25	ONGC BTC Ltd	Cayman Islands	0.74	3,002.07	(8.48)	1,774.48	0.31	1,357.74	2.69	512.23
B.1.26	Beas Rovuma Energy Mozambique Limited	British Virgin island	1.44	5,885.30	0.90	(189.19)	4.47	19,703.9500	(4.52)	(861.47)
B.1.27	ONGC Videsh Rovuma Ltd.	Republic of Mauritius	(0.0003)	(1.17)	0.00	(0.79)	-	0.09	(0.00)	(0.34)
B.1.28	ONGC Videsh Atlantic Inc.	Texas	0.0001	0.53	(0.01)	2.92	-	0.71	(0.00)	(0.72)
C	**Minority Interest in all subsidiaries**		2.01	8,205.75	(0.55)	115.99	1.77	7,819.81	6.23	1,185.82
D	**Joint ventures Entities**									
D.1	Foreign									
D.1.1	ONGC Mittal Energy Limited	Cyprus	(2.22)	(9,060.16)	-	-	(1.94)	(8,553.56)	(0.22)	(41.15)
D.1.2	Petro Carabobo S.A.	Venezuela	(0.03)	(102.05)	12.02	(2,516.80)	0.52	2,311.18	11.51	2,191.28
D.1.3	Carabobo Ingeniería y Construcciones, S.A.	Venezuela	0.0001	0.28	-	-	0.00	0.30	0.00	0.02
D.1.4	Petrolera Indovenezolana S.A.	Venezuela	6.27	25,573.08	(16.95)	3,549.18	4.70	20,748.07	28.23	5,375.36
D.1.5	South-East Asia Gas Pipeline Company Limited	Hongkong	1.00	4,064.20	(7.34)	1,536.94	0.61	2,693.06	0.20	38.98
D.1.6	Tamba B.V.	The Netherlands	6.20	25,280.75	(13.24)	2,771.38	5.08	22,400.55	14.18	2,699.93
	Total			**408,021.60**		**(20,935.52)**		**441,088.76**		**19,042.21**

* ONGC Satpayev E&P B.V. has been liquidated w.e.f.01 February, 2016.

Outbound training program for ONGC Videsh employees

Route Map

South Sudan

Route Map - Venue of 51st AGM

Offshore exploration in Vietnam